

February 8, 2016 Regular Meeting

1. Meeting Agenda

Documents: [CC160208_AGENDA.PDF](#)

2. Item 3A1

Second Reading and Adoption of Ordinance No. 401

Documents: [CC160208_ITEM 3A1.PDF](#)

3. Item 3B2

Warrant Register No. 566

Documents: [CC160208_ITEM 3B2.PDF](#)

4. Item 3B3

Approval of Minutes - January 11, 2016

Documents: [CC160208_ITEM 3B3.PDF](#)

5. Item 3B4

Nomination for the Jake Kuredjian Citizenship Award

Documents: [CC160208_ITEM 3B4.PDF](#)

6. Item 3B5

Agreement with Wells Fargo Bank for Governmental Banking Services

Documents: [CC160208_ITEM 3B5.PDF](#)

7. Item 3B6

State Revolving Fund Loan Application for the Civic Center Wastewater Treatment Facility Project

Documents: [CC160208_ITEM 3B6.PDF](#)

8. Item 4A

Fiscal Year 2015-2016 Mid-Year Financial Report

Documents: [CC160208_ITEM 4A.PDF](#)

9. Item 5A

Short-term Residential Rentals

Documents: [CC160208_ITEM 5A.PDF](#)

10. Item 6A

Preferential Parking Zone in the Point Dume Neighborhood, at the Intersection of Heathercliff Road and Dume Drive

Documents: [CC160208_ITEM 6A.PDF](#)

11. Item 7A

Measure R Follow-Up - Consider Regulations of Chain Stores and Initiation of Preparation of Specific Plan (Councilmembers Peak and Sibert)

Documents: [CC160208_ITEM 7A_SUPPLEMENTAL.PDF](#), [CC160208_ITEM 7A.PDF](#)

Malibu City Council
Regular Meeting Agenda

Monday, February 8, 2016

5:30 P.M. – CLOSED SESSION

**City Hall – Westward Room
23825 Stuart Ranch Road**

6:30 P.M. – REGULAR CITY COUNCIL MEETING

**City Hall – Council Chambers
23825 Stuart Ranch Road**

Five-thirty p.m. Closed Session

This time has been set aside for the City Council to meet in a closed session to discuss matters pursuant to Government Code Sections 54957 and 54956.9(d)(1). Based on the advice of the City Attorney, discussion in open session concerning these matters would prejudice the position of the City in this litigation. The City Attorney will give an additional oral report regarding the Closed Session at the beginning of the next regular City Council meeting.

Public Comment on Closed Session Items

Personnel Matters pursuant to Government Code Section 54957:

1. Public Employee Performance Evaluation
 Title: City Manager

Conference with Legal Counsel – Existing litigation pursuant to Government Code Section 54956.9(d)(1):

2. Crown Castle NG West LLC v. City of Malibu
 United States District Court Case No. 2:15-cv-06089-DSF (SSx)
3. Trancas-PCH v. City of Malibu (Housing Element case)
 Los Angeles County Superior Court Case No. BS145311

Six-thirty p.m. Regular Session

Public Hearings will begin at 6:30 p.m., or as soon thereafter as possible, but in no event later than 7:30 p.m.

Call to Order - Mayor

Roll Call - Recording Secretary

Pledge of Allegiance

Closed Session Report

Approval of Agenda

Report on Posting of Agenda – January 29, 2016

1. Ceremonial/Presentations

- A. Presentation on the City's Everbridge Disaster Alert System
- B. Presentation by West Basin Municipal Water District on Cash for Kitchens Certificates for Restaurants and Commercial Kitchens

2. Written and Oral Communications from the Public

- A. Communications from the Public concerning matters which are not on the agenda but for which the City Council has subject matter jurisdiction. City Council may not act on these matters except to refer the matters to staff or schedule the matters for a future agenda.
- B. Commission / Committee / City Manager Updates
- C. City Council Subcommittee reports / Mayor and Councilmember meeting attendance, reports and inquiries

3. Consent Calendar**A. Previously Discussed Items****1. Second Reading and Adoption of Ordinance No. 401**

Recommended Action: Conduct second reading, unless waived, and adopt Ordinance No. 401 updating the terms of commissioners based on the City's General Municipal Election date being moved to November of even-numbered years.

Staff contact: City Clerk Pope, 456-2489 ext. 228

B. New Items**1. Waive Further Reading**

Recommended Action: After the City Attorney has read the title, waive full reading of ordinances considered on this agenda for introduction on first reading and/or second reading and adoption.

Staff contact: City Attorney Hogin, 456-2489 ext. 228

2. Approve Warrants

Recommended Action: Allow and approve warrant demand numbers 46431-46531 listed on the register from the General Fund and direct the City Manager to pay out the funds to each of the claimants listed in Warrant Register No. 566 in the amount of the warrant appearing opposite their names, for the purposes stated on the respective demands in a total amount of \$911,691.14. City of Malibu payroll check numbers 4632-4637 and ACH deposits were issued in the amount of \$181,933.67.

Staff contact: Assistant City Manager Feldman, 456-2489 ext. 224

3. Approval of Minutes

Recommended Action: Approve the minutes for the January 11, 2016 Regular City Council meeting.

Staff contact: City Clerk Pope, 456-2489 ext. 228

4. Nomination for the Jake Kuredjian Citizenship Award

Recommended Action: At the recommendation of the Parks and Recreation Commission, approve the nomination of Joan House as the 2015 recipient of the Jake Kuredjian Citizenship Award.

Staff contact: Parks and Recreation Manager Crittenden, 456-2489 ext. 337

5. Agreement with Wells Fargo Bank for Governmental Banking Services

Recommended Action: Authorize the City Manager and Assistant City Manager to execute an agreement with Wells Fargo Bank for Governmental Banking Services.

Staff contact: Assistant City Manager Feldman, 456-2489 ext. 224

6. State Revolving Fund (SRF) Loan Application for the Civic Center Wastewater Treatment Facility (CCWWTF) Project

Recommended Action: Adopt Resolution No. 16-10 authorizing the reimbursement of funding from the SRF Loan for the CCWWTF and repealing Resolution No. 15-03.

Staff contact: Assistant City Manager Feldman, 456-2489 ext. 224

4. **Ordinances and Public Hearings**

A. Fiscal Year (FY) 2015-2016 Mid-Year Financial Report

Recommended Action: 1) Receive and file FY 2015-2016 Mid-Year Financial Report; and 2) Adopt Resolution No. 16-09 amending the annual budget for Fiscal Year 2015-2016.

Staff contact: Assistant City Manager Feldman, 456-2489 ext. 224

5. **Old Business**

A. Short-term Residential Rentals

Recommended Action: 1) Review suggestions from staff on enforcement options for regulating short-term residential rentals; and 2) Authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Solid Waste Solutions for on-call monitoring services of short-term residential rentals.

Staff contact: Assistant City Manager Feldman, 456-2489 ext. 224

6. New Business

- A. Preferential Parking Zone in the Point Dume Neighborhood, at the Intersection of Heathercliff Road and Dume Drive

Recommended Action: Receive and file.

Staff contact: Planning Director Blue, 456-2489 ext. 258

7. Council Items

- A. Measure R Follow-Up – Consider Regulations of Chain Stores and Initiation of Preparation of Specific Plan (Councilmembers Peak and Sibert)

Recommended Action: Direct staff whether to initiate a zoning ordinance amendment to regulate chain stores and whether to initiate a voter-approved specific plan for the civic center.

Staff contact: City Attorney Hogin, 456-2489 ext. 226

Adjournment

Future Meetings

Wednesday, February 10, 2016	6:30 p.m.	Special Council/Planning Commission Mtg.	Council Chambers
Monday, February 22, 2016	6:30 p.m.	Regular City Council Meeting	City Hall Council Chambers
Monday, March 14, 2016	6:30 p.m.	Regular City Council Meeting	City Hall Council Chambers
Monday, March 28, 2016	6:30 p.m.	Regular City Council Meeting	City Hall Council Chambers

Guide to the City Council Proceedings

The Oral Communication portion of the agenda is for members of the public to present items, which are not listed on the agenda but are under the subject matter jurisdiction of the City Council. No action may be taken under, except to direct staff unless the Council, by a two-thirds vote, determines that there is a need to take immediate action and that need came to the attention of the City after the posting of the agenda. Although no action may be taken, the Council and staff will follow up, at an appropriate time, on those items needing response. Each speaker is limited to three (3) minutes. Time may be surrendered by deferring one (1) minute to another speaker, not to exceed a total of eight (8) minutes. The speaker wishing to defer time must be present when the item is heard. In order to be recognized and present an item, each speaker must complete and submit to the Recording Secretary a Request to Speak form prior to the beginning of the item being announced by the Mayor (forms are available outside the Council Chambers). Speakers are taken in the order slips are submitted.

Items in Consent Calendar Section A have already been considered by the Council at a previous meeting where the public was invited to comment, after which a decision was made. These items are not subject to public discussion at this meeting because the vote taken at the previous meeting was final. Resolutions concerning decisions made at previous meetings are for the purpose of memorializing the decision to assure the accuracy of the findings, the prior vote, and any conditions imposed.

Items in Consent Calendar Section B have not been discussed previously by the Council. If discussion is desired, an item may be removed from the Consent Calendar for individual consideration. Councilmembers may indicate a negative or abstaining vote on any individual item by so declaring prior to the vote on the motion to adopt the entire Consent Calendar. Items excluded from the Consent Calendar will be taken up by the Council following the action on the Consent Calendar. The Council first will take up the items for which public speaker requests have been

submitted. Public speakers shall follow the rules as set forth under Oral Communication.

For Public Hearings involving zoning matters the appellant and applicant will be given 15 minutes each to present their position to the City Council, including rebuttal time. All other testimony shall follow the rules as set forth under Oral Communication.

Old Business items have appeared on previous agendas but have either been continued or tabled to this meeting with no final action having been taken. Public comment shall follow the rules as set forth under Oral Communication.

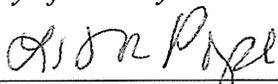
Items in New Business are items, which are appearing for the first time for formal action. Public comment shall follow the rules as set forth under Oral Communication.

City Council Items are items, which individual members of the City Council may bring up for action, to propose future agenda items or to suggest future staff assignments. No new items will be taken-up after 10:30 p.m. without a two-thirds vote of the City Council.

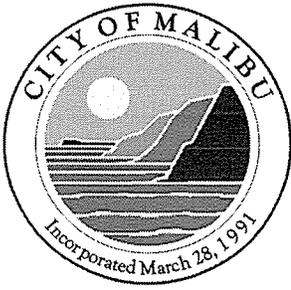
City Council meetings are aired live and replayed on City of Malibu Government Access Channel 3 and on the City's website at www.malibucity.org/video. Copies of the staff reports or other written documentation relating to each item of business described above are on file in the office of the City Clerk, Malibu City Hall, 23825 Stuart Ranch Road, Malibu, California and are available for public inspection during regular office hours which are 7:30 a.m. to 5:30 p.m., Monday through Thursday and 7:30 a.m. to 4:30 p.m., Friday. Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's office at 23825 Stuart Ranch Road, Malibu, California (Government Code Section 54957.5.b.2). Copies of staff reports and written materials may be purchased for \$0.10 per page. Pursuant to State law, this agenda was posted at least 72 hours prior to the meeting.

The City Hall phone number is (310) 456-2489. To contact City Hall using a telecommunication device for the deaf (TDD), please call (800) 735-2929 and a California Relay Service operator will assist you. In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Environmental Sustainability Director Victor Peterson, (310) 456-2489, ext. 251. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADD Title II]. Requests for use of audio or video equipment during a Council meeting should be directed to Alex Montano at (310) 456-2489 ext. 227 or amontano@malibucity.org. Material must be submitted by 12:00 p.m. on the meeting day.

I hereby certify under penalty of perjury, under the laws of the State of California that the foregoing agenda was posted in accordance with the applicable legal requirements. Regular and Adjourned Regular meeting agendas may be amended up to 72 hours in advance of the meeting. Dated this 29th day of January 2016.



Lisa Pope, City Clerk



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Lisa Pope, City Clerk 

Approved by: Jim Thorsen, City Manager 

Date prepared: January 25, 2016 Meeting date: February 8, 2016

Subject: Second Reading and Adoption of Ordinance No. 401

RECOMMENDED ACTION: Conduct second reading, unless waived, and adopt Ordinance No. 401 updating the terms of commissioners based on the City's General Municipal Election date being moved to November of even-numbered years.

FISCAL IMPACT: None.

DISCUSSION: At the Regular City Council meeting on January 25, 2016, the City Council introduced on first reading Ordinance No. 401.

Ordinance No. 401 is presented to the City Council for adoption.

ATTACHMENTS: Ordinance No. 401

ORDINANCE NO. 401

AN ORDINANCE OF THE CITY OF MALIBU UPDATING THE TERMS OF COMMISSIONERS BASED ON THE CITY'S GENERAL MUNICIPAL ELECTION DATE BEING MOVED TO NOVEMBER OF EVEN-NUMBERED YEARS

The City Council of the City of Malibu does ordain as follows:

Section 1 Amendments

A. Section 2.26.040 of the Malibu Municipal Code is hereby amended to read as follows:

2.26.040 Term.

Each member of the cultural arts commission shall serve a four-year term. Commissioners shall be appointed at a regular city council meeting following the general municipal election at which the appointing councilmember was elected. In the event the office of any appointing councilmember becomes vacant during the term thereof, the term of the commissioner appointed by such councilmember shall terminate ninety (90) days after such vacancy occurs. Following expiration of the term of office, each commissioner shall continue to serve until his or her successor is appointed and qualified. Notwithstanding any provision of this code, each commissioner shall serve at the pleasure of the appointing councilmember and may be removed by that councilmember at a regular city council meeting.

B. Section 2.32.040 of the Malibu Municipal Code is hereby amended to read as follows:

2.32.040 Term.

Each member of the parks and recreation commission shall serve a four-year term. Commissioners shall be appointed at a regular city council meeting following the general municipal election at which the appointing councilmember was elected. In the event the office of any appointing councilmember becomes vacant during the term thereof, the term of the commissioner appointed by such councilmember shall terminate ninety (90) days after such vacancy occurs. Following expiration of the term of office, each commissioner shall continue to serve until his or her successor is appointed and qualified. Notwithstanding any provision of this code, each commissioner shall serve at the pleasure of the appointing councilmember and may be removed by that councilmember at a regular city council meeting.

C. Section 2.36.040 of the Malibu Municipal Code is hereby amended to read as follows:

2.36.040 Term.

Each member of the planning commission shall serve a four-year term. Commissioners shall be appointed at a regular city council meeting following the general municipal election

at which the appointing councilmember was elected. In the event the office of any appointing councilmember becomes vacant during the term thereof, the term of the commissioner appointed by such councilmember shall terminate ninety (90) days after such vacancy occurs. Following expiration of the term of office, each commissioner shall continue to serve until his or her successor is appointed and qualified. Notwithstanding any provision of this code, each commissioner shall serve at the pleasure of the appointing councilmember and may be removed by that councilmember at a regular city council meeting.

- D. Section 2.40.040 of the Malibu Municipal Code is hereby amended to read as follows:

2.40.040 Term.

Each member of the public safety commission shall serve a four-year term. Commissioners shall be appointed at a regular city council meeting following the general municipal election at which the appointing councilmember was elected. In the event the office of any appointing councilmember becomes vacant during the term thereof, the term of the commissioner appointed by such councilmember shall terminate ninety (90) days after such vacancy occurs. Following expiration of the term of office, each commissioner shall continue to serve until his or her successor is appointed and qualified. Notwithstanding any provision of this code, each commissioner shall serve at the pleasure of the appointing councilmember and may be removed by that councilmember at a regular city council meeting.

- E. Section 2.44.040 of the Malibu Municipal Code is hereby amended to read as follows:

2.44.040 Term.

Each member of the public works commission shall serve a four-year term. Commissioners shall be appointed at a regular city council meeting following the general municipal election at which the appointing councilmember was elected. In the event the office of any appointing councilmember becomes vacant during the term thereof, the term of the commissioner appointed by such councilmember shall terminate ninety (90) days after such vacancy occurs. Following expiration of the term of office, each commissioner shall continue to serve until his or her successor is appointed and qualified. Notwithstanding any provision of this code, each commissioner shall serve at the pleasure of the appointing councilmember and may be removed by that councilmember at a regular city council meeting.

Section 2. The City Clerk shall certify the adoption of this ordinance.

Ordinance No. 401
Page 3 of 3

PASSED, APPROVED AND ADOPTED this ____ day of ____ 2016.

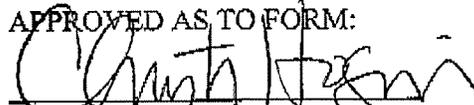
LAURA ROSENTHAL, Mayor

ATTEST:

LISA POPE, City Clerk

Date: _____

APPROVED AS TO FORM:



CHRISTI HOGIN, City Attorney

Item
3.B.2.

WARRANT REGISTER NO. 566

On February 8, 2016, the Malibu City Council allowed and approved the above warrant demand numbers 46431 – 46531 from the General Fund. The City Manager is hereby directed to pay out the funds named hereon to each of the claimants listed above, the amount appearing opposite their name for the purpose stated on the respective demands, making a total of \$911,691.14. City of Malibu payroll check numbers 4632 - 4637 and ACH deposits were issued in the amount of \$181,933.67.

PASSED, APPROVED and ADOPTED this 8th day of February 2016.

Laura Rosenthal
Mayor

ATTEST:

Lisa Pope
City Clerk

CERTIFICATE

In accordance with Government Code Section 37202, I certify that the above demands are accurate and that funds are available for payment thereof. This certification is based on an examination of source documents relating to randomly selected sample of transactions and analysis of cash flow reports.

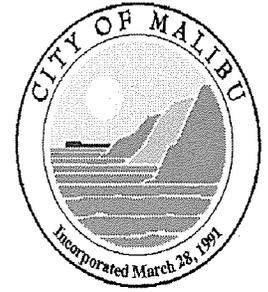
EXECUTED this 8th day of February 2016, AT MALIBU, CALIFORNIA

Jim Thorsen
City Manager

Accounts Payable

Checks by Date - Summary By Check Number

User: jhand
Printed: 1/27/2016 - 9:05 AM



Check Number	Vendor No	Vendor Name	Check Date	Check Amount
46431	ICMA457	ICMA Retirement Trust 457 - 303	01/13/2016	15,848.54
46432	ICMACM	ICMA 401-Plan # 108658	01/13/2016	504.89
46433	ICMADH	ICMA 401-Plan # 108650	01/13/2016	692.28
46434	PERSRET	CalPERS Retirement	01/13/2016	33,971.28
46435	USBANK2	U.S. Bank	01/13/2016	601.88
46436	19768PCH	19768 PCH LLC	01/14/2016	541.00
46437	22CENMED	Freedom Media LLC/ 22nd Centu	01/14/2016	585.00
46438	ALERTCO	Affiliated Communications LLC c	01/14/2016	108.95
46439	ANDERSJ	Juan Anderson	01/14/2016	105.00
46440	AQUACHEM	Aqua H2O Soultions Inc	01/14/2016	348.89
46441	BURKHAR	Steve Burkhardt	01/14/2016	80.00
46442	BURNS	Burns Pacific Construction Inc	01/14/2016	54,845.23
46443	CACHAMB	California Chamber of Commerce	01/14/2016	13.14
46444	CACODE	California Code Check, Inc	01/14/2016	19,072.42
46445	CAPTAINF	Lee Ritenour	01/14/2016	300.00
46446	CHAVEZL	Larry Chavez	01/14/2016	110.00
46447	CONEJOA	Conejo Awards	01/14/2016	51.60
46448	COTTON	Cotton,Shires & Associates,Inc	01/14/2016	27,099.00
46449	DAVIDTA	David Taussig & Associates Inc	01/14/2016	2,967.50
46450	DEWEY	Dewey Services, Inc.	01/14/2016	92.00
46451	DFMASSO	DFM Associates	01/14/2016	53.75
46452	DICKSONS	Stephen Dickson	01/14/2016	70.83
46453	DIMALANT	Jermaine Dimalanta	01/14/2016	140.00
46454	ELYJRS	Hilario Simental Jr	01/14/2016	1,380.00
46455	Fugro	Fugro Consultants, Inc.	01/14/2016	34,927.50
46456	GATES	SWAG Corporation	01/14/2016	1,660.00
46457	GIINDUS	GI Industries	01/14/2016	3,089.58
46458	HEMPYK	Kevin Hempy	01/14/2016	120.00
46459	ICCVENT	ICC Ventura Chapter	01/14/2016	80.00
46460	iRIS	Lorrie Feinberg	01/14/2016	1,258.75
46461	JENKINS	Jenkins & Hogin, LLP	01/14/2016	61,125.10
46462	KUNERTA	Sky Kunerth	01/14/2016	495.00
46463	LACOPW	County of Los Angeles	01/14/2016	15,292.75
46464	LAWREL	Eleanor Lawrence	01/14/2016	52.00
46465	LEAGUE	League Of California Cities	01/14/2016	5,841.68
46466	MALICOM	Malibu Comm Labor Exchange	01/14/2016	578.00
46467	MALITIM	Malibu Times	01/14/2016	497.00
46468	MCCIPET	Peter McClafferty	01/14/2016	7.15
46469	NATIONA	National Construction Rentals, Inc	01/14/2016	382.60
46470	NUSSGAB	Gabriel Nussbaum	01/14/2016	20.00
46471	NWPC	NWPC LA Westside	01/14/2016	70.00
46472	PATTONJ	Jonathan Patton	01/14/2016	170.00
46473	PETEV	Vic Peterson	01/14/2016	33.86
46474	RPBARRI	R P Barricade, Inc.	01/14/2016	432.47
46475	SAVENAN	Nancy Saver	01/14/2016	302.00

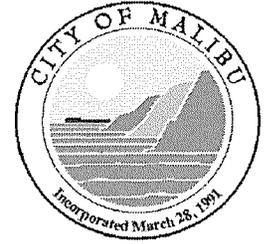
Check Number	Vendor No	Vendor Name	Check Date	Check Amount
46476	SIEMENS	Siemens Industry Inc	01/14/2016	436.00
46477	SMITHPI	Smith Pipe & Supply Inc	01/14/2016	1,219.05
46478	SOLIDWA	Solid Waste Solutions, Inc.	01/14/2016	1,945.00
46479	STAPLES	Staples Advantage	01/14/2016	918.47
46480	STORAGE	StorageContainer.com	01/14/2016	198.00
46481	UNDERGR	Underground Service Alert/SC	01/14/2016	78.00
46482	USBANK	U.S. Bank	01/14/2016	22,815.18
46483	VALLEYCR	ValleyCrest Landscape Maintenan	01/14/2016	2,898.00
46484	VERIZFIO	Verizon	01/14/2016	364.99
46485	VERIZONC	Verizon California	01/14/2016	2,156.42
46486	XEROX	Xerox Corporation	01/14/2016	3,146.85
46487	AKBMAR	Maryam Akbar	01/21/2016	192.00
46488	ALLIANT2	Alliant Insurance Services, Inc.	01/21/2016	319.00
46489	ANDRSUS	Susanne Andresian	01/21/2016	125.00
46490	BLUE	Bonnie Blue	01/21/2016	788.38
46491	BRIMAR	Brimar Industries Inc	01/21/2016	922.67
46492	BURNS	Burns Pacific Construction Inc	01/21/2016	2,437.65
46493	CARRCH	Christie Carr	01/21/2016	175.00
46494	CHAVEZL	Larry Chavez	01/21/2016	110.00
46495	CONEJOA	Concjo Awards	01/21/2016	686.48
46496	CROWLEYM	Mark Crowley	01/21/2016	375.00
46497	CRPRINT	CR PRINT	01/21/2016	623.49
46498	DELURE	Reisha Delug	01/21/2016	192.00
46499	DIMALANT	Jemaine Dimalanta	01/21/2016	220.00
46500	DIRECT	DirectTV, Inc.	01/21/2016	57.49
46501	DRUMTR	Trinity Rose Drummond	01/21/2016	100.00
46502	FELDMAN	Reva Feldman	01/21/2016	27.97
46503	Fugro	Fugro Consultants, Inc.	01/21/2016	31,751.22
46504	GENWORTH	Genworth Life Insurance Co	01/21/2016	67.32
46505	GFOA	Government Finance Officers Ass	01/21/2016	150.00
46506	GRAINGER	W.W. Grainger,Inc	01/21/2016	131.90
46507	HEMPYK	Kevin Hempy	01/21/2016	120.00
46508	KENNEYK	Kevin R Kenney	01/21/2016	90.00
46509	KOHNRU	Russell Kohn	01/21/2016	250.00
46510	LACOCLE	LA County Registrar-Recorder LA	01/21/2016	75.00
46511	LACOCLE	LA County Registrar-Recorder LA	01/21/2016	75.00
46512	LACOCLE	LA County Registrar-Recorder LA	01/21/2016	75.00
46513	LACOSHE	LA Co Sheriff'S Department	01/21/2016	519,982.90
46514	Lance	Lance,Soll&Lunghard CPA's, LLI	01/21/2016	2,355.00
46515	MALITIM	Malibu Times	01/21/2016	537.00
46516	MILES	Sten Miles	01/21/2016	22.42
46517	MONTANO	Alexander Montano	01/21/2016	375.00
46518	MONTANO A	Alexander Montano	01/21/2016	34.00
46519	MTASSOC	MT Associates Inc	01/21/2016	4,000.00
46520	NEALM	Margo Neal	01/21/2016	105.00
46521	OLEAJAN	Janice O'Leary	01/21/2016	125.00
46522	PATTONJ	Jonathan Patton	01/21/2016	80.00
46523	PITNEYP	Pitney Bowes Global Financial Se	01/21/2016	770.02
46524	PRECISI	Precision Business Machine Inc	01/21/2016	81.70
46525	REGENCYL	Regency Enterprises Inc	01/21/2016	869.65
46526	SALEBRI	Brittany Saleaumua	01/21/2016	49.49
46527	SC Prime	SC PrimeSource, Inc.	01/21/2016	6,590.00
46528	SCEDISO	Southern California Edison Comp	01/21/2016	9,972.32
46529	STAPLES	Staples Advantage	01/21/2016	309.25
46530	SYSTEMSS	Systems Solutions Inc.	01/21/2016	3,000.00

Check Number	Vendor No	Vendor Name	Check Date	Check Amount
46531	VERIZONW	Verizon Wireless Services LLC	01/21/2016	100.24
			Report Total:	911,691.14

Accounts Payable

Transactions by Account

User: jhand
 Printed: 01/27/2016 - 9:08AM
 Batch: 00000.00.0000



Checks from: 00046431 To: 00046531

Account Number	description	Vendor	Description	Check No	Amount
Fund: 100					
Dept:0000					
100-0000-2021-00	COBRA Payable	CalPERS Retirement	PR 01.2016 PERS EEShare - Hog	46434	358.12
100-0000-2021-00	COBRA Payable	CalPERS Retirement	PR 01.2016 PERS ERShare - Hog	46434	478.50
Vendor Subtotal for Dept:0000					836.62
Dept:0000					
100-0000-3202-00	Film Permit Fees	Peter McClafferty	Refund credit card fee-Film perm	46468	7.15
Vendor Subtotal for Dept:0000					7.15
Dept:0000					
100-0000-3448-00	Subpoena Fees	Vic Peterson	Reimburse Subpoena personal apj	46473	33.86
Vendor Subtotal for Dept:0000					33.86
Dept:0000					
100-0000-3448-00	Subpocna Fees	U.S. Bank	Glaser H-Mailing subpoena docs-	46482	17.90
Vendor Subtotal for Dept:0000					17.90
Dept:0000					
100-0000-3465-00	Teen Program Fees	Sky Kunerth	Refund Teen Improv-Ashlyn-not j	46462	495.00
Vendor Subtotal for Dept:0000					495.00

Account Number	description	Vendor	Description	Check No	Amount
Dept:0000					
100-0000-3468-00	Senior Adult Program Fee	Eleanor Lawrence	Refund Excursion-Mummies-una	46464	52.00
Vendor Subtotal for Dept:0000					52.00
Dept:0000					
100-0000-3468-00	Senior Adult Program Fee	Margo Neal	Refund-registered wrong class-Ph	46520	105.00
Vendor Subtotal for Dept:0000					105.00
Dept:0000					
100-0000-3470-00	Community Classes	Maryam Akbar	Refund-Music Together-Cyrus Na	46487	192.00
Vendor Subtotal for Dept:0000					192.00
Dept:0000					
100-0000-3470-00	Community Classes	Susanne Andresian	Refund Dog Training-cancelled at	46489	125.00
Vendor Subtotal for Dept:0000					125.00
Dept:0000					
100-0000-3470-00	Community Classes	Reisha Delug	Refund Music Together-Elijah-to	46498	192.00
Vendor Subtotal for Dept:0000					192.00
Dept:0000					
100-0000-3470-00	Community Classes	Gabriel Nussbaum	Refund Early Bird Discount-not r	46470	20.00
Vendor Subtotal for Dept:0000					20.00
Dept:0000					
100-0000-3470-00	Community Classes	Janice O'Leary	Refund Dog Training-cancelled at	46521	125.00
Vendor Subtotal for Dept:0000					125.00
Dept:3001					
100-3001-5120-00	Street Maintenance	Burns Pacific Construction Inc	Routine Maint-Nov'15	46442	46,761.00
100-3001-5120-00	Street Maintenance	Burns Pacific Construction Inc	Yard rental-Nov'15	46442	2,600.00
100-3001-5120-00	Street Maintenance	Burns Pacific Construction Inc	El Nino preparations-Nov'15	46442	1,375.98

Account Number	description	Vendor	Description	Check No	Amount
Vendor Subtotal for Dept:3001					50,736.98
Dept:3001					
100-3001-5124-00	Traffic Signal Maintenance	Siemens Industry Inc	Signal/Beacon maint-Nov'15	46476	330.00
100-3001-5124-00	Traffic Signal Maintenance	Siemens Industry Inc	Meeting regarding new battery ba	46476	106.00
Vendor Subtotal for Dept:3001					436.00
Dept:3001					
100-3001-5126-00	Wall/Sidewalk Maintenance	Burns Pacific Construction Inc	Sidewalk Maint-Nov'15	46442	1,190.00
Vendor Subtotal for Dept:3001					1,190.00
Dept:3001					
100-3001-5722-00	Electricity	Southern California Edison Company	Broad Beach-Dec'15	46528	26.98
100-3001-5722-00	Electricity	Southern California Edison Company	Cross Creek Rd Ped-Dec'15	46528	26.75
100-3001-5722-00	Electricity	Southern California Edison Company	Rambla Light-Dec'15	46528	19.92
100-3001-5722-00	Electricity	Southern California Edison Company	St Lighting-Dec'15	46528	1,800.34
100-3001-5722-00	Electricity	Southern California Edison Company	Traffic Control-Dec'15	46528	92.73
100-3001-5722-00	Electricity	Southern California Edison Company	Winter Cyn-Dec'15	46528	52.59
Vendor Subtotal for Dept:3001					2,019.31
Dept:3001					
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Bluffs Park-Jan'16-1831	46457	371.24
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Equestrian Park-Jan'16-1	46457	179.44
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Bus Stop-Jan'16-183153	46457	2,191.21
100-3001-5725-00	Trash Pickup/Recycling	GI Industries	Garbage-Cross Creek-Jan'16-183	46457	175.83
Vendor Subtotal for Dept:3001					2,917.72
Dept:3001					
100-3001-6160-00	Operating Supplies	Burns Pacific Construction Inc	PW supplies-Nov'15-cold mix/asf	46442	2,288.25
Vendor Subtotal for Dept:3001					2,288.25

Account Number	description	Vendor	Description	Check No	Amount
Dept:3001					
100-3001-6160-00	Operating Supplies	R P Barricade, Inc.	Directional sign @ Malibu Cyn N	46474	432.47
			Vendor Subtotal for Dept:3001		432.47
Dept:3001					
100-3001-6160-00	Operating Supplies	Underground Service Alert/SC	Dig Alerts-Nov'15	46481	78.00
			Vendor Subtotal for Dept:3001		78.00
Dept:3001					
100-3001-6160-00	Operating Supplies	U.S. Bank	Hart T-Flow meter batteries	46482	167.70
			Vendor Subtotal for Dept:3001		167.70
Dept:3007					
100-3007-5721-00	Telephone	Verizon California	Phone-Civic Center STF	46485	148.00
			Vendor Subtotal for Dept:3007		148.00
Dept:3007					
100-3007-5722-00	Electricity	Southern California Edison Company	CCSTF-Dec'15	46528	37.33
			Vendor Subtotal for Dept:3007		37.33
Dept:3008					
100-3008-5300-00	Travel and Training	U.S. Bank	DuBoux R-APWA meeting	46482	70.00
			Vendor Subtotal for Dept:3008		70.00
Dept:3008					
100-3008-6160-00	Operating Supplies	Staples Advantage	Office supplies-Public Works	46479	4.10
			Vendor Subtotal for Dept:3008		4.10
Dept:4001					
100-4001-5721-00	Telephone	Verizon California	Phone-MHS Pool	46485	231.50

Account Number	description	Vendor	Description	Check No	Amount
				Vendor Subtotal for Dept:4001	231.50
Dept:4001					
100-4001-6160-00	Operating Supplies	Brittany Saleaumua	Reimburse expenses for departme	46526	49.49
				Vendor Subtotal for Dept:4001	49.49
Dept:4001					
100-4001-6160-00	Operating Supplies	U.S. Bank	Crittenden A-Community Use Grv	46482	272.45
100-4001-6160-00	Operating Supplies	U.S. Bank	Gallo K-Facility Rental Brochure:	46482	245.24
				Vendor Subtotal for Dept:4001	517.69
Dept:4006					
100-4006-5107-00	Contract Personnel	Juan Anderson	Youth Sports-Basketball-1/9/16	46439	105.00
				Vendor Subtotal for Dept:4006	105.00
Dept:4006					
100-4006-5107-00	Contract Personnel	Steve Burkhardt	Youth Sports-Basketball-1/8/16	46441	80.00
				Vendor Subtotal for Dept:4006	80.00
Dept:4006					
100-4006-5107-00	Contract Personnel	Larry Chavez	Youth Sports-Basketball-1/8 & 1/	46446	110.00
100-4006-5107-00	Contract Personnel	Larry Chavez	Youth Sports-Basketball-1/15 & 1	46494	110.00
				Vendor Subtotal for Dept:4006	220.00
Dept:4006					
100-4006-5107-00	Contract Personnel	Jermaine Dimalanta	Youth Sports-Basketball-1/8 & 1/	46453	140.00
100-4006-5107-00	Contract Personnel	Jermaine Dimalanta	Youth Sports-Basketball-1/15 & 1	46499	220.00
				Vendor Subtotal for Dept:4006	360.00
Dept:4006					
100-4006-5107-00	Contract Personnel	Kevin Hempy	Youth Sports-Basketball-1/9/16	46458	120.00
100-4006-5107-00	Contract Personnel	Kevin Hempy	Youth Sports-Basketball-1/16/16	46507	120.00

Account Number	description	Vendor	Description	Check No	Amount
					240.00
Dept:4006					
100-4006-5107-00	Contract Personnel	Kevin R Kenney	Youth Sports-Basketball-1/16/16	46508	90.00
					90.00
Dept:4006					
100-4006-5107-00	Contract Personnel	Jonathan Patton	Youth Sports-Basketball-1/8 & 1/	46472	170.00
100-4006-5107-00	Contract Personnel	Jonathan Patton	Youth Sports-Basketball-1/15/16	46522	80.00
					80.00
					250.00
Dept:4006					
100-4006-5300-00	Travel and Training	U.S. Bank	Gallo K-Sports Summit supplies	46482	19.34
					19.34
Dept:4006					
100-4006-6160-00	Operating Supplies	Staples Advantage	Office supplies-P&R-Youth Sport	46479	7.84
100-4006-6160-00	Operating Supplies	Staples Advantage	Office supplies-P&R Youth Sport:	46529	17.09
					17.09
					24.93
Dept:4006					
100-4006-6160-00	Operating Supplies	U.S. Bank	Gallo K-Credit from Vista print-ir	46482	-13.89
100-4006-6160-00	Operating Supplies	U.S. Bank	Gallo K-Basketball supplies	46482	1,249.83
					1,249.83
					1,235.94
Dept:4007					
100-4007-6160-00	Operating Supplies	U.S. Bank	Riesgo K-Winter Showcase suppl	46482	191.71
100-4007-6160-00	Operating Supplies	U.S. Bank	Reyna M-P&R SendGrid email sc	46482	9.95
					9.95
					201.66
Dept:4008					

Account Number	description	Vendor	Description	Check No	Amount
100-4008-6160-00	Operating Supplies	Staples Advantage	Office supplies-P&R-Senior Ctr	46479	60.43
			Vendor Subtotal for Dept:4008		60.43
Dept:4008					
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Center supplies	46482	178.96
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Center Chior mu:	46482	75.75
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Center-Theater T	46482	6.54
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Center-Functiona	46482	32.95
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Center-Dec Lunc	46482	575.24
100-4008-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Center-Ice Crean	46482	7.48
100-4008-6160-00	Operating Supplies	U.S. Bank	Frederiksen R-Tablecloth cleanin	46482	149.25
			Vendor Subtotal for Dept:4008		1,026.17
Dept:4008					
100-4008-6176-00	Recreation Trip Admissions	U.S. Bank	Odello T-Senior Center-Excursior	46482	358.68
			Vendor Subtotal for Dept:4008		358.68
Dept:4009					
100-4009-5107-00	Contract Personnel	Christie Carr	Youth Comm Battle of the Bands	46493	175.00
			Vendor Subtotal for Dept:4009		175.00
Dept:4009					
100-4009-5107-00	Contract Personnel	Mark Crowley	Youth Comm Battle of the Bands	46496	375.00
			Vendor Subtotal for Dept:4009		375.00
Dept:4009					
100-4009-5107-00	Contract Personnel	Trinity Rose Drummond	Youth Comm Battle of the Bands	46501	100.00
			Vendor Subtotal for Dept:4009		100.00
Dept:4009					
100-4009-5107-00	Contract Personnel	Russell Kohn	Youth Comm Battle of the Bands	46509	250.00
			Vendor Subtotal for Dept:4009		250.00
Dept:4009					

Account Number	description	Vendor	Description	Check No	Amount
100-4009-5107-00	Contract Personnel	Alexander Montano	Youth Comm Battle of the Bands	46517	375.00
			Vendor Subtotal for Dept:4009		375.00
Dept:4009					
100-4009-6160-00	Operating Supplies	U.S. Bank	Riesgo K-YoGlow supplies	46482	84.77
			Vendor Subtotal for Dept:4009		84.77
Dept:4010					
100-4010-5100-00	Professional Services	SWAG Corporation	Trancas Park Security Services-D	46456	830.00
100-4010-5100-00	Professional Services	SWAG Corporation	Equestrian Park Security Services	46456	830.00
			Vendor Subtotal for Dept:4010		1,660.00
Dept:4010					
100-4010-5130-00	Parks Maintenance	Burns Pacific Construction Inc	City Parks El Nino storm preparat	46492	2,003.04
			Vendor Subtotal for Dept:4010		2,003.04
Dept:4010					
100-4010-5130-00	Parks Maintenance	Smith Pipe & Supply Inc	Las Flores Park supplies	46477	1,219.05
			Vendor Subtotal for Dept:4010		1,219.05
Dept:4010					
100-4010-5130-00	Parks Maintenance	ValleyCrest Landscape Maintenance	Straw wattle for Winter emergenc	46483	450.00
100-4010-5130-00	Parks Maintenance	ValleyCrest Landscape Maintenance	Fill in planters along Cross Creek	46483	2,097.00
100-4010-5130-00	Parks Maintenance	ValleyCrest Landscape Maintenance	Las Flores mainline repairs	46483	351.00
			Vendor Subtotal for Dept:4010		2,898.00
Dept:4010					
100-4010-5610-00	Facility Maintenance	U.S. Bank	Delsi D-P&R Parks Fac supplies	46482	110.32
100-4010-5610-00	Facility Maintenance	U.S. Bank	Belter A-UPS-shipping soil sampl	46482	46.14
			Vendor Subtotal for Dept:4010		156.46

Account Number	description	Vendor	Description	Check No	Amount
Dept:4010					
100-4010-5710-00	Facilities Rent	National Construction Rentals, Inc	Bluffs Portable Toilet rental 12/24	46469	382.60
Vendor Subtotal for Dept:4010					382.60
Dept:4010					
100-4010-5721-00	Telephone	Verizon California	Phone-23641 PCH-Median	46485	50.20
100-4010-5721-00	Telephone	Verizon California	Phone-LasFlores/Bluffs/Trancas I	46485	407.24
Vendor Subtotal for Dept:4010					457.44
Dept:4010					
100-4010-5722-00	Electricity	Southern California Edison Company	Parks/Recs-Dec'15	46528	484.24
100-4010-5722-00	Electricity	Southern California Edison Company	PCH Median-Dec'15	46528	27.73
100-4010-5722-00	Electricity	Southern California Edison Company	Rambla Pacifico-Dec'15	46528	27.60
Vendor Subtotal for Dept:4010					539.57
Dept:4010					
100-4010-6300-00	Repair & Maint. Supplies	U.S. Bank	Delsi D-P&R Parks tools	46482	593.71
Vendor Subtotal for Dept:4010					593.71
Dept:4011					
100-4011-6160-00	Operating Supplies	Alliant Insurance Services, Inc.	Cultural Arts-Salon Series-insurar	46488	319.00
Vendor Subtotal for Dept:4011					319.00
Dept:4011					
100-4011-6160-00	Operating Supplies	Lee Ritenour	Production/Tech expenses for Sal	46445	300.00
Vendor Subtotal for Dept:4011					300.00
Dept:4011					
100-4011-6160-00	Operating Supplies	U.S. Bank	Crittenden A-Breakfast w/Santa s	46482	44.81
100-4011-6160-00	Operating Supplies	U.S. Bank	Crittenden A-Artist fees for design	46482	500.00
100-4011-6160-00	Operating Supplies	U.S. Bank	Gallo K-Breakfast w/Santa suppli	46482	44.91

Account Number	description	Vendor	Description	Check No	Amount
100-4011-6160-00	Operating Supplies	U.S. Bank	Odello T-Senior Center-Holiday s	46482	50.02
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-Breakfast w/Santa supp	46482	365.43
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-Special events Rentals c	46482	-50.00
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-Special event sign-Cin	46482	27.00
100-4011-6160-00	Operating Supplies	U.S. Bank	Riesgo K-Storage container	46482	45.68
			Vendor Subtotal for Dept:4011		1,027.85
Dept:7001					
100-7001-4205-00	Life Insurance	Genworth Life Insurance Co	6 month insur prem-L Pope-Jan-Ji	46504	67.32
			Vendor Subtotal for Dept:7001		67.32
Dept:7001					
100-7001-5300-00	Travel and Training	U.S. Bank	Feldman R-ICA Winter Seminar I	46482	550.00
			Vendor Subtotal for Dept:7001		550.00
Dept:7001					
100-7001-5330-00	Dues & Memberships	League Of California Cities	2016 annual membership dues-Le	46465	5,841.68
			Vendor Subtotal for Dept:7001		5,841.68
Dept:7001					
100-7001-6160-00	Operating Supplies	U.S. Bank	Glaser H-Council supplies	46482	10.78
			Vendor Subtotal for Dept:7001		10.78
Dept:7001					
100-7001-6170-00	Events	Conejo Awards	Seven year tile-Adrian Fernandez	46447	51.60
			Vendor Subtotal for Dept:7001		51.60
Dept:7001					
100-7001-6170-00	Events	U.S. Bank	Rector C-Open House Event expe	46482	452.04
100-7001-6170-00	Events	U.S. Bank	Myerhoff M-Holiday open house	46482	1,538.18
100-7001-6170-00	Events	U.S. Bank	Frederiksen R-Tablecloth cleaning	46482	211.00

Account Number	description	Vendor	Description	Check No	Amount
100-7001-6170-00	Events	U.S. Bank	Frederiksen R-supplies-Open Hou	46482	187.44
100-7001-6170-00	Events	U.S. Bank	Feldman R-Open House supplies-	46482	191.37
			Vendor Subtotal for Dept:7001		2,580.03
Dept:7002					
100-7002-5100-00	Professional Services	Affiliated Communications LLC dba	Water Hotline-ACI -Jan'16	46438	108.95
			Vendor Subtotal for Dept:7002		108.95
Dept:7002					
100-7002-5640-00	Equipment Maintenance	U.S. Bank	Montano A-Media supplies-HDM	46482	1,415.33
			Vendor Subtotal for Dept:7002		1,415.33
Dept:7002					
100-7002-6200-00	Publications	U.S. Bank	Myerhoff M-City TV Video musi	46482	1.98
			Vendor Subtotal for Dept:7002		1.98
Dept:7003					
100-7003-6160-00	Operating Supplies	U.S. Bank	Linden M-Everbridge Implement	46482	93.48
			Vendor Subtotal for Dept:7003		93.48
Dept:7005					
100-7005-5101-00	General Legal Counsel	Jenkins & Hogin, LLP	General Legal Svcs-Dec'15	46461	23,198.00
			Vendor Subtotal for Dept:7005		23,198.00
Dept:7005					
100-7005-5102-00	Litigation	Jenkins & Hogin, LLP	Litigation Svcs-Dec'15	46461	37,927.10
			Vendor Subtotal for Dept:7005		37,927.10

Account Number	description	Vendor	Description	Check No	Amount
Dept:7007					
100-7007-5100-00	Professional Services	U.S. Bank	Glaser H-Veribook Online Passpo	46482	35.00
Vendor Subtotal for Dept:7007					35.00
Dept:7007					
100-7007-5150-00	Elections	DFM Associates	2016 California Elections Code B	46451	53.75
Vendor Subtotal for Dept:7007					53.75
Dept:7007					
100-7007-5300-00	Travel and Training	U.S. Bank	Glaser H-Seminar expenses-12/1-	46482	609.99
100-7007-5300-00	Travel and Training	U.S. Bank	Pope L-Seminar expenses-12/2-1:	46482	356.75
Vendor Subtotal for Dept:7007					966.74
Dept:7007					
100-7007-6160-00	Operating Supplies	Staples Advantage	Office supplies-City Clerk	46529	212.69
Vendor Subtotal for Dept:7007					212.69
Dept:7007					
100-7007-6160-00	Operating Supplies	U.S. Bank	Pope L-Remote PC access for Lis	46482	21.90
Vendor Subtotal for Dept:7007					21.90
Dept:7021					
100-7021-5330-00	Dues & Memberships	U.S. Bank	Davis B-IAEM membership dues	46482	185.00
Vendor Subtotal for Dept:7021					185.00
Dept:7021					
100-7021-5721-00	Telephone	Verizon California	Phone-Disaster Hot Line/Tier/E91	46485	322.12
Vendor Subtotal for Dept:7021					322.12
Dept:7021					

Account Number	description	Vendor	Description	Check No	Amount
100-7021-5721-00	Telephone	Verizon Wireless Services LLC	WiFi Hot Spot-EOC-Jan'16	46531	33.42
			Vendor Subtotal for Dept:7021		33.42
Dept:7021					
100-7021-6160-00	Operating Supplies	DirectTV, Inc.	Directv-EOC-Jan'16	46500	57.49
			Vendor Subtotal for Dept:7021		57.49
Dept:7021					
100-7021-6160-00	Operating Supplies	Staples Advantage	Office supplies-EOC	46529	67.36
			Vendor Subtotal for Dept:7021		67.36
Dept:7021					
100-7021-6160-00	Operating Supplies	U.S. Bank	Davis B-Emer Prpd supplies/expe	46482	269.11
			Vendor Subtotal for Dept:7021		269.11
Dept:7021					
100-7021-6400-00	Clothing & Personal Supplies	U.S. Bank	Davis B-Emer Prpd gear/clothing	46482	661.14
			Vendor Subtotal for Dept:7021		661.14
Dept:7031					
100-7031-5115-00	Law Enforcement Services	LA Co Sheriff'S Department	Law Enforce Svcs-STAR-Dec'15	46513	2,043.33
100-7031-5115-00	Law Enforcement Services	LA Co Sheriff'S Department	Law Enforce Svcs-Dec'15	46513	490,548.77
			Vendor Subtotal for Dept:7031		492,592.10
Dept:7031					
100-7031-5116-00	Sheriff's Services-Beach Team	LA Co Sheriff'S Department	Law Enforce Svcs-Beach Team-N	46513	1,187.03
100-7031-5116-00	Sheriff's Services-Beach Team	LA Co Sheriff'S Department	Law Enforce Svcs-Beach Team-D	46513	11,043.76
			Vendor Subtotal for Dept:7031		12,230.79
Dept:7031					

Account Number	description	Vendor	Description	Check No	Amount
100-7031-5640-00	Equipment Maintenance	Southern California Edison Compan	Tier-Dec'15	46528	134.18
				Vendor Subtotal for Dept:7031	134.18
Dept:7031					
100-7031-6160-00	Operating Supplies	Brimar Industries Inc	Sheriff emergency cones/signage-	46491	922.67
				Vendor Subtotal for Dept:7031	922.67
Dept:7031					
100-7031-7800-00	Public Safety Equipment	Verizon Wireless Services LLC	WiFi Hot Spot-VOP-Jan'16	46531	66.82
				Vendor Subtotal for Dept:7031	66.82
Dept:7054					
100-7054-5100-00	Professional Services	Lance,Soll&Lunghard CPA's, LLP	FY 14/15 Financial Audit-Final	46514	2,205.00
100-7054-5100-00	Professional Services	Lance,Soll&Lunghard CPA's, LLP	FY 14/15 Financial Audit-Final	46514	150.00
				Vendor Subtotal for Dept:7054	2,355.00
Dept:7054					
100-7054-5117-00	Film Permit Consultant	Verizon California	Phone-Film Fax	46485	37.97
				Vendor Subtotal for Dept:7054	37.97
Dept:7054					
100-7054-5205-00	Postage	U.S. Bank	Rector C-Postage - Finance	46482	20.72
				Vendor Subtotal for Dept:7054	20.72
Dept:7054					
100-7054-5300-00	Travel and Training	U.S. Bank	Feldman R-Parking expense Sant	46482	2.25
100-7054-5300-00	Travel and Training	U.S. Bank	Feldman R-ICA Winter Seminar I	46482	550.00
				Vendor Subtotal for Dept:7054	552.25

Account Number	description	Vendor	Description	Check No	Amount
Dept:7054					
100-7054-5330-00	Dues & Memberships	Government Finance Officers Associ	GFOA membership dues-Ruth	46505	150.00
Vendor Subtotal for Dept:7054					150.00
Dept:7054					
100-7054-5330-00	Dues & Memberships	NWPC LA Westside	NWPC yearly membership-R Fel	46471	70.00
Vendor Subtotal for Dept:7054					70.00
Dept:7054					
100-7054-5340-00	Transportation & Mileage	Reva Feldman	Reimburse milieage-1/10-1/13/16	46502	27.97
Vendor Subtotal for Dept:7054					27.97
Dept:7054					
100-7054-5401-00	Advertising & Noticing	Malibu Times	CDBG Public hearing ad in Malit	46515	52.00
Vendor Subtotal for Dept:7054					52.00
Dept:7054					
100-7054-6160-00	Operating Supplies	U.S. Bank	Montano A-Webex monthly fee	46482	24.00
Vendor Subtotal for Dept:7054					24.00
Dept:7058					
100-7058-6160-00	Operating Supplies	California Chamber of Commerce	Balance of 2016 Employee notice	46443	13.14
Vendor Subtotal for Dept:7058					13.14
Dept:7058					
100-7058-6160-00	Operating Supplies	Staples Advantage	Office supplies-HR	46479	53.05
Vendor Subtotal for Dept:7058					53.05

Account Number	description	Vendor	Description	Check No	Amount
Dept:7058					
100-7058-6170-00	Events	U.S. Bank	Rector C-HR event expenses-Oct'	46482	56.92
100-7058-6170-00	Events	U.S. Bank	Rector C-HR Event expenses-Dec	46482	67.44
100-7058-6170-00	Events	U.S. Bank	Neermann R-Staff Luncheon-Oct'	46482	126.16
100-7058-6170-00	Events	U.S. Bank	Piyaman R-HR Event supplies-Dc	46482	2,298.00
100-7058-6170-00	Events	U.S. Bank	Woodrow M-HR event supplies/e	46482	763.85
Vendor Subtotal for Dept:7058					3,312.37
Dept:7059					
100-7059-5205-00	Postage	U.S. Bank	Montano A-Postage	46482	9.17
100-7059-5205-00	Postage	U.S. Bank	Walker J-Postage	46482	5.95
Vendor Subtotal for Dept:7059					15.12
Dept:7059					
100-7059-5405-00	Printing	CR PRINT	Business card imprints-7 names	46497	350.39
100-7059-5405-00	Printing	CR PRINT	Business card imprints-6 names	46497	273.10
Vendor Subtotal for Dept:7059					623.49
Dept:7059					
100-7059-5640-00	Equipment Maintenance	Xerox Corporation	Xerox Maint-XC60-E2B-652638-	46486	18.23
Vendor Subtotal for Dept:7059					18.23
Dept:7059					
100-7059-5721-00	Telephone	Verizon California	Phone-City Hall Fac/Post Mtr/Tel	46485	567.35
Vendor Subtotal for Dept:7059					567.35
Dept:7059					
100-7059-5800-00	Equipment Leases	Pitney Bowes Global Financial Servi	Postage Meter Rental 11/1/15-1/3	46523	770.02
Vendor Subtotal for Dept:7059					770.02
Dept:7059					

Account Number	description	Vendor	Description	Check No	Amount
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox-PDFKIT2-Jan'16	46486	80.31
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-D110CP BG0-96851	46486	965.60
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-XC60-E2B-652638-	46486	704.88
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-C70EFI Hub 5 Port	46486	331.61
100-7059-5800-00	Equipment Leases	Xerox Corporation	Xerox Lease-D110-BG0-968974-	46486	1,046.22
			Vendor Subtotal for Dept:7059		3,128.62
Dept:7059					
100-7059-6160-00	Operating Supplies	Precision Business Machine Inc	Printer Supplies	46524	81.70
			Vendor Subtotal for Dept:7059		81.70
Dept:7059					
100-7059-6160-00	Operating Supplies	Staples Advantage	Office supplies-City Hall Paper	46479	250.81
100-7059-6160-00	Operating Supplies	Staples Advantage	Office supplies-ASD	46479	25.82
			Vendor Subtotal for Dept:7059		276.63
Dept:7059					
100-7059-6160-00	Operating Supplies	U.S. Bank	Rector C-Kitchen supplies	46482	62.59
100-7059-6160-00	Operating Supplies	U.S. Bank	Rector C-Office supplies-ASD-Tc	46482	297.81
			Vendor Subtotal for Dept:7059		360.40
Dept:7059					
100-7059-7600-00	Office Equip/Furniture	U.S. Bank	Frederiksen R-City Hall chairs (3	46482	-446.44
			Vendor Subtotal for Dept:7059		-446.44
			Subtotal for Fund: 100		673,456.83
Fund: 101					
Dept:0000					
101-0000-3414-00	Environmnt'l Health Review Fe	19768 PCH LLC	Refund overcharge of Environ He	46436	541.00
			Vendor Subtotal for Dept:0000		541.00

Account Number	description	Vendor	Description	Check No	Amount
Dept:0000					
101-0000-3421-00	Planning Review Fees	Nancy Saver	Refund 30060 Havrvester Rd-PVI	46475	302.00
Vendor Subtotal for Dept:0000					302.00
Dept:2001					
101-2001-5210-00	Service Fees & Charges	LA County Registrar-Recorder LA Co	CEQA Filing-29042 Cliffside Dri	46510	75.00
101-2001-5210-00	Service Fees & Charges	LA County Registrar-Recorder LA Co	CEQA Filing-30536 Morning Vie	46511	75.00
101-2001-5210-00	Service Fees & Charges	LA County Registrar-Recorder LA Co	CEQA Filing-5901 Philip Avenue	46512	75.00
Vendor Subtotal for Dept:2001					225.00
Dept:2001					
101-2001-5300-00	Travel and Training	Bonnie Blue	Reimburse expenses 12/9-12/10/1	46490	390.48
Vendor Subtotal for Dept:2001					390.48
Dept:2001					
101-2001-5330-00	Dues & Memberships	U.S. Bank	Salazar P-State Bar dues-S Hawn	46482	380.00
Vendor Subtotal for Dept:2001					380.00
Dept:2001					
101-2001-5340-00	Transportation & Mileage	Bonnie Blue	Reimburse mileage 12/9-12/10/15	46490	397.90
Vendor Subtotal for Dept:2001					397.90
Dept:2001					
101-2001-5401-00	Advertising & Noticing	Malibu Times	Ads in Times-Public notices-12/3	46467	497.00
101-2001-5401-00	Advertising & Noticing	Malibu Times	Public notice ads in Malibu Times	46515	485.00
Vendor Subtotal for Dept:2001					982.00
Dept:2001					
101-2001-6160-00	Operating Supplies	Staples Advantage	Office supplies-Planning	46479	460.52

Account Number	description	Vendor	Description	Check No	Amount
					460.52
			Vendor Subtotal for Dept:2001		460.52
Dept:2004					
101-2004-5100-00	Professional Services	California Code Check, Inc	Plan review-Nov'15-CA Code Ch	46444	14,038.82
101-2004-5100-00	Professional Services	California Code Check, Inc	Plan Check-Nov'15-CA Code Ch	46444	5,033.60
					19,072.42
			Vendor Subtotal for Dept:2004		19,072.42
Dept:2004					
101-2004-5100-00	Professional Services	Cotton,Shires & Associates,Inc	Counter-Dec'15-CSA	46448	2,098.50
101-2004-5100-00	Professional Services	Cotton,Shires & Associates,Inc	Coastal reviews-Dec'15-CSA	46448	9,112.50
					11,211.00
			Vendor Subtotal for Dept:2004		11,211.00
Dept:2004					
101-2004-5100-00	Professional Services	Fugro Consultants, Inc.	Counter-Dec'15-Fugro	46455	3,022.50
101-2004-5100-00	Professional Services	Fugro Consultants, Inc.	Geo Tech Fixed Fee-Dec'15-Fugr	46455	31,905.00
					34,927.50
			Vendor Subtotal for Dept:2004		34,927.50
Dept:2004					
101-2004-5100-00	Professional Services	Lorrie Feinberg	CSI Permitting Software-Building	46460	1,258.75
					1,258.75
			Vendor Subtotal for Dept:2004		1,258.75
Dept:2004					
101-2004-5300-00	Travel and Training	ICC Ventura Chapter	Seminar for Solar PV Syst-SM/M	46459	80.00
					80.00
			Vendor Subtotal for Dept:2004		80.00
Dept:2004					
101-2004-5300-00	Travel and Training	U.S. Bank	George C-Working lunch-CSI Per	46482	89.21
					89.21
			Vendor Subtotal for Dept:2004		89.21
Dept:2004					
101-2004-5330-00	Dues & Memberships	U.S. Bank	Rossine T-ICC inspectors guides	46482	266.19

Account Number	description	Vendor	Description	Check No	Amount
				Vendor Subtotal for Dept:2004	266.19
Dept:2004					
101-2004-5340-00	Transportation & Mileage	Sten Miles	Reimburse mileage-12/14/15-City	46516	22.42
				Vendor Subtotal for Dept:2004	22.42
Dept:2004					
101-2004-5415-00	Public Records Printing	U.S. Bank	Ernst J-Copies for requests for pu	46482	354.50
				Vendor Subtotal for Dept:2004	354.50
Dept:2004					
101-2004-6160-00	Operating Supplies	Staples Advantage	Office supplies-Bldg Safety	46479	55.90
				Vendor Subtotal for Dept:2004	55.90
Dept:2010					
101-2010-5100-00	Professional Services	Cotton,Shires & Associates,Inc	EH reviews-Oct'15-add'l	46448	132.00
101-2010-5100-00	Professional Services	Cotton,Shires & Associates,Inc	EH reviews-Dec'15-CSA	46448	15,756.00
				Vendor Subtotal for Dept:2010	15,888.00
Dept:2010					
101-2010-5721-00	Telephones	Verizon California	Phone-Annex Fax Line	46485	56.12
				Vendor Subtotal for Dept:2010	56.12
Dept:2010					
101-2010-6160-00	Operating Supplies	Stephen Dickson	Reimburse supplies/expenses for '	46452	70.83
				Vendor Subtotal for Dept:2010	70.83
Dept:3003					

Account Number	description	Vendor	Description	Check No	Amount
101-3003-5100-00	Professional Services	County of Los Angeles	2015 IRWMP Grant Application f	46463	15,292.75
			Vendor Subtotal for Dept:3003		15,292.75
			Subtotal for Fund: 101		102,324.49
Fund: 103					
Dept:9050					
103-9050-5100-00	Professional Services	SC PrimeSource, Inc.	City Hall Janitorial Services-Oct'	46527	3,095.00
103-9050-5100-00	Professional Services	SC PrimeSource, Inc.	City Hall Janitorial Services-Nov'	46527	3,495.00
			Vendor Subtotal for Dept:9050		6,590.00
Dept:9050					
103-9050-5610-00	Facilities Maintenance	Aqua H2O Souldutions Inc	City Hall Water Treatment-Jan'16	46440	348.89
			Vendor Subtotal for Dept:9050		348.89
Dept:9050					
103-9050-5610-00	Facilities Maintenance	W.W. Grainger,Inc	Toner Tracing Line	46506	131.90
			Vendor Subtotal for Dept:9050		131.90
Dept:9050					
103-9050-5610-00	Facilities Maintenance	Regency Enterprises Inc	LED Lamp	46525	41.67
103-9050-5610-00	Facilities Maintenance	Regency Enterprises Inc	Lamps/Ballasts	46525	827.98
			Vendor Subtotal for Dept:9050		869.65
Dept:9050					
103-9050-5610-00	Facilities Maintenance	StorageContainer.com	City Hall Storage Cont Rental 1/1	46480	198.00
			Vendor Subtotal for Dept:9050		198.00
Dept:9050					
103-9050-5610-00	Facilities Maintenance	U.S. Bank	Frederiksen R-City Hall Fac main	46482	128.87
103-9050-5610-00	Facilities Maintenance	U.S. Bank	Frederiksen R-City Hall El Nino I	46482	380.93
			Vendor Subtotal for Dept:9050		509.80

Account Number	description	Vendor	Description	Check No	Amount
Dept:9050					
103-9050-5721-00	Telephone	Verizon California	Phone-City Hall-Septic/Irr/Fire/el	46485	335.92
			Vendor Subtotal for Dept:9050		335.92
Dept:9050					
103-9050-5722-00	Electricity	Southern California Edison Company	City Hall-Dec'15	46528	4,798.19
			Vendor Subtotal for Dept:9050		4,798.19
Dept:9050					
103-9050-6160-00	Operating Supplies	Staples Advantage	Office supplies-City Hall	46529	12.11
			Vendor Subtotal for Dept:9050		12.11
Dept:9050					
103-9050-6300-00	Tools & Minor Equipment	Alexander Montano	Potter-2 single button hold up swi	46518	34.00
			Vendor Subtotal for Dept:9050		34.00
Dept:9050					
103-9050-7800-00	Other Equipment	U.S. Bank	Neermann R-Office Furniture-Pul	46482	1,747.00
			Vendor Subtotal for Dept:9050		1,747.00
			Subtotal for Fund: 103		15,575.46
Fund: 203					
Dept:3009					
203-3009-5148-00	Special Event Rec Transit	U.S. Bank	Odello T-Senior Center-Excursior	46482	375.00
			Vendor Subtotal for Dept:3009		375.00

Account Number	description	Vendor	Description	Check No	Amount
				Subtotal for Fund: 203	375.00
Fund: 207					
Dept:3004					
207-3004-5100-00	Professional Services	Burns Pacific Construction Inc	Christmas tree recycling program	46442	630.00
				Vendor Subtotal for Dept:3004	630.00
Dept:3004					
207-3004-5100-00	Professional Services	Solid Waste Solutions, Inc.	Solid Waste Consultant-Dec'15	46478	1,945.00
				Vendor Subtotal for Dept:3004	1,945.00
				Subtotal for Fund: 207	2,575.00
Fund: 211					
Dept:7031					
211-7031-5115-00	Law Enforcement Services	LA Co Sheriff'S Department	Law Enforce Svcs-Brulte/Sttop-D	46513	15,160.01
				Vendor Subtotal for Dept:7031	15,160.01
				Subtotal for Fund: 211	15,160.01
Fund: 215					
Dept:7070					
215-7070-5931-01	Labor Exchange	Malibu Comm Labor Exchange	CDBG Day Labor Program-Dec'1	46466	578.00
				Vendor Subtotal for Dept:7070	578.00
				Subtotal for Fund: 215	578.00
Fund: 290					
Dept:6002					
290-6002-5100-00	Professional Services	Fugro Consultants, Inc.	Big Rock Mesa AD 98-1-Testing/	46503	27,066.22

Account Number	description	Vendor	Description	Check No	Amount
Vendor Subtotal for Dept:6002					27,066.22
Dept:6002					
290-6002-5722-00	Electricity	Southern California Edison Compan	Asmt Dist Big Rock-Dec'15	46528	1,105.32
290-6002-5722-00	Electricity	Southern California Edison Compan	Big Rock Inland Pump-Dec'15	46528	70.10
Vendor Subtotal for Dept:6002					1,175.42
Subtotal for Fund: 290					28,241.64
Fund: 291					
Dept:6003					
291-6003-5100-00	Professional Services	Fugro Consultants, Inc.	Malibu Rd AD 98-3-Testing/Mon	46503	2,647.50
Vendor Subtotal for Dept:6003					2,647.50
Dept:6003					
291-6003-5722-00	Electricity	Southern California Edison Compan	Asmt dst Malibu Rd-Dec'15	46528	111.02
Vendor Subtotal for Dept:6003					111.02
Subtotal for Fund: 291					2,758.52
Fund: 292					
Dept:6004					
292-6004-5100-00	Professional Services	Fugro Consultants, Inc.	Calle Del Barco AD 98-2-Testing	46503	2,037.50
Vendor Subtotal for Dept:6004					2,037.50
Dept:6004					
292-6004-5722-00	Electricity	Southern California Edison Compan	Asmt Dist Calle Del-Dec'15	46528	32.88
292-6004-5722-00	Electricity	Southern California Edison Compan	Asmt Dist Rambla-Dec'15	46528	28.47
292-6004-5722-00	Electricity	Southern California Edison Compan	Calle Del Barco-Dec'15	46528	26.90

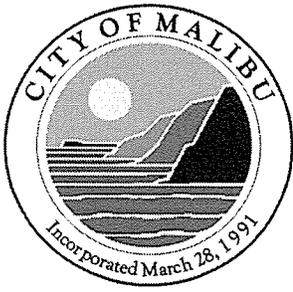
Account Number	description	Vendor	Description	Check No	Amount
					88.25
			Vendor Subtotal for Dept:6004		88.25
					2,125.75
			Subtotal for Fund: 292		2,125.75
Fund: 500					
Dept:7008					
500-7008-5130-00	Park Maintenance	Burns Pacific Construction Inc	Legacy Park El Nino storm prepa	46492	434.61
			Vendor Subtotal for Dept:7008		434.61
Dept:7008					
500-7008-5610-00	Facility Maintenance	Dewey Services, Inc.	Pest Control-23661 PCH-Jan'16	46450	92.00
			Vendor Subtotal for Dept:7008		92.00
Dept:7008					
500-7008-5610-00	Facility Maintenance	Hilario Simental Jr	Septic pumping 23431 PCH-Anin	46454	460.00
500-7008-5610-00	Facility Maintenance	Hilario Simental Jr	Septic pumping 23431 PCH-Anin	46454	460.00
500-7008-5610-00	Facility Maintenance	Hilario Simental Jr	Septic pumping 23431 PCH-Anin	46454	460.00
			Vendor Subtotal for Dept:7008		1,380.00
Dept:7008					
500-7008-5610-00	Facility Maintenance	GI Industries	Garbage-SuperCare-Jan'16-18316	46457	171.86
			Vendor Subtotal for Dept:7008		171.86
Dept:7008					
500-7008-5722-00	Electricity	Southern California Edison Company	23661 PCH-Dec'15	46528	523.19
			Vendor Subtotal for Dept:7008		523.19
			Subtotal for Fund: 500		2,601.66
Fund: 601					

Account Number	description	Vendor	Description	Check No	Amount
Dept:3005					
601-3005-5722-00	Electricity	Southern California Edison Company	Electric Car Charger-Dec'15	46528	545.86
Vendor Subtotal for Dept:3005					545.86
Dept:3005					
601-3005-6500-00	Motor Fuels	U.S. Bank	Aladjajian A-Fuel for fleet	46482	63.80
601-3005-6500-00	Motor Fuels	U.S. Bank	Hart T-Fuel for Fleet	46482	66.00
601-3005-6500-00	Motor Fuels	U.S. Bank	Belter A-Fuel for work truck	46482	63.45
601-3005-6500-00	Motor Fuels	U.S. Bank	Brown J-Fuel for City vehicle-Cn	46482	28.85
601-3005-6500-00	Motor Fuels	U.S. Bank	Delsi D-Fuel for work truck	46482	226.42
601-3005-6500-00	Motor Fuels	U.S. Bank	DuBoux R-Fuel for fleet	46482	22.33
Vendor Subtotal for Dept:3005					470.85
Subtotal for Fund: 601					1,016.71
Fund: 602					
Dept:7060					
602-7060-5100-00	Professional Services	U.S. Bank	Reyna M-MS Tech Support-Hype	46482	499.00
Vendor Subtotal for Dept:7060					499.00
Dept:7060					
602-7060-5330-00	Dues & Memberships	U.S. Bank	Reyna M-Newegg.com membersf	46482	54.49
Vendor Subtotal for Dept:7060					54.49
Dept:7060					
602-7060-5630-00	Computer Maintenance	U.S. Bank	Reyna M-Computer Maint	46482	181.49
Vendor Subtotal for Dept:7060					181.49
Dept:7060					
602-7060-5721-00	Telephone	U.S. Bank	Reyna M-Telephone equipment	46482	149.48

Account Number	description	Vendor	Description	Check No	Amount
					Vendor Subtotal for Dept:7060
					149.48
Dept:7060					
602-7060-5721-00	Telephone	Verizon	City Hall Fac Internet 12/28/15-1,	46484	364.99
					Vendor Subtotal for Dept:7060
					364.99
Dept:7060					
602-7060-6120-00	Computer Software < \$1,000	U.S. Bank	Reyna M-Computer software	46482	1,359.78
					Vendor Subtotal for Dept:7060
					1,359.78
Dept:7060					
602-7060-6160-00	Operating Supplies	U.S. Bank	Reyna M-Computer supplies	46482	215.78
					Vendor Subtotal for Dept:7060
					215.78
Dept:7060					
602-7060-7400-00	Computer Equipment	Systems Solutions Inc.	Server Collocation Data Ctr-Jan/F	46530	2,340.00
602-7060-7400-00	Computer Equipment	Systems Solutions Inc.	Support service-invoices 108066/	46530	660.00
					Vendor Subtotal for Dept:7060
					3,000.00
					Subtotal for Fund: 602
					5,825.01
Fund: 710					
Dept:0000					
710-0000-2270-36	Senior Center Donations	Conejo Awards	Donor Wall Plaque	46495	686.48
					Vendor Subtotal for Dept:0000
					686.48
Dept:0000					
710-0000-2270-44	Library Event	Freedom Media LLC/ 22nd Century I	Library Speaker Series-Ads in Su	46437	585.00

Account Number	description	Vendor	Description	Check No	Amount
					Vendor Subtotal for Dept:0000
					585.00
Dept:0000					
710-0000-2270-44	Library Event	U.S. Bank	Myerhoff M-Library Speaker Seri	46482	55.83
					Vendor Subtotal for Dept:0000
					55.83
Dept:0000					
710-0000-2270-45	CCW Treatment Facility Phase I	David Taussig & Associates Inc	WWTP-State revolving Loan ana	46449	2,967.50
					Vendor Subtotal for Dept:0000
					2,967.50
Dept:0000					
710-0000-2270-45	CCW Treatment Facility Phase I	MT Associates Inc	CCWWTF appraisal reviews	46519	4,000.00
					Vendor Subtotal for Dept:0000
					4,000.00
					Subtotal for Fund: 710
					8,294.81
Fund: 900					
Dept:0000					
900-0000-2040-00	PERS Retirement	CalPERS Retirement	PR Batch 70014.01.2016 PERS E	46434	12,037.02
					Vendor Subtotal for Dept:0000
					12,037.02
Dept:0000					
900-0000-2040-01	PERS Retirement Prepaid	CalPERS Retirement	PR Batch 70014.01.2016 PEPRA	46434	2,550.85
900-0000-2040-01	PERS Retirement Prepaid	CalPERS Retirement	PR Batch 70014.01.2016 PERS E	46434	16,083.14
					Vendor Subtotal for Dept:0000
					18,633.99
Dept:0000					
900-0000-2040-02	PERS/PEPRA Retirement	CalPERS Retirement	PR Batch 70014.01.2016 PEPRA	46434	2,463.65
					Vendor Subtotal for Dept:0000
					2,463.65

Account Number	description	Vendor	Description	Check No	Amount
Dept:0000					
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70014.01.2016 PARS -	46435	492.69
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70014.01.2016 PARS -	46435	103.29
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70030.12.2015 PARS -	46435	4.88
900-0000-2041-00	PARS	U.S. Bank	PR Batch 70030.12.2015 PARS -	46435	1.02
Vendor Subtotal for Dept:0000					601.88
Dept:0000					
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70014.01.2016 ICMA I	46431	899.26
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70014.01.2016 ICMA I	46431	11,638.62
900-0000-2042-00	Deferred Compensation 457	ICMA Retirement Trust 457 - 303615	PR Batch 70014.01.2016 ER Con	46431	2,700.00
Vendor Subtotal for Dept:0000					15,237.88
Dept:0000					
900-0000-2042-01	ICMA Loan Program	ICMA Retirement Trust 457 - 303615	PR Batch 70014.01.2016 ICMA I	46431	610.66
Vendor Subtotal for Dept:0000					610.66
Dept:0000					
900-0000-2043-00	Deferred Compensation 401	ICMA 401-Plan # 108658	PR Batch 70014.01.2016 ICMA -	46432	504.89
Vendor Subtotal for Dept:0000					504.89
Dept:0000					
900-0000-2043-00	Deferred Compensation 401	ICMA 401-Plan # 108650	PR Batch 70014.01.2016 ICMA -	46433	692.28
Vendor Subtotal for Dept:0000					692.28
Subtotal for Fund: 900					50,782.25
Report Total:					911,691.14



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Lisa Pope, City Clerk *L. Pope*

Approved by: Jim Thorsen, City Manager *J. Thorsen*

Date prepared: January 25, 2016 Meeting date: February 8, 2016

Subject: Approval of Minutes

RECOMMENDED ACTION: Approve the minutes for the January 11, 2016 Regular City Council meeting.

FISCAL IMPACT: None.

DISCUSSION: Staff has prepared draft minutes for the January 11, 2016 Regular City Council meeting. Staff hereby submits the minutes for Council's approval.

ATTACHMENTS: January 11, 2016 Regular City Council meeting minutes

MINUTES
MALIBU CITY COUNCIL
REGULAR MEETING
JANUARY 11, 2016
COUNCIL CHAMBERS
6:30 P.M.

CALL TO ORDER

Mayor Rosenthal called the meeting to order at 6:38 p.m.

ROLL CALL

The following persons were recorded in attendance by the Recording Secretary:

PRESENT: Mayor Laura Rosenthal; Mayor Pro Tem Lou La Monte (via teleconference); and Councilmembers Joan House, Skylar Peak and John Sibert

ALSO PRESENT: Christi Hogin, City Attorney; Jim Thorsen, City Manager; Matt Myerhoff, Media Information Officer; Craig George, Environmental Sustainability Manager; Amy Crittenden, Recreation Manager; Christopher Deleau, Planning Manager; Adrian Fernandez, Senior Planner; Bob Brager, Public Works Director; and Heather Glaser, Deputy City Clerk

PLEDGE OF ALLEGIANCE

Guy Blake led the Pledge of Allegiance.

APPROVAL OF AGENDA

MOTION Councilmember House moved and Councilmember Sibert seconded a motion to approve the agenda. The question was called and the motion carried unanimously.

REPORT ON POSTING OF AGENDA

Deputy City Clerk Glaser reported that the agenda for the meeting was properly posted on December 29, 2015.

ITEM 1 CEREMONIAL/PRESENTATIONS

A. Presentation of City Tile to Adrian Fernandez, Senior Planner, for Seven Years of Service to the City of Malibu

Mayor Rosenthal presented the tile to Senior Planner Fernandez.

Senior Planner Fernandez thanked the Council.

B. Posthumous Recognition of California Highway Patrol Officer James P. Haynes for his Extraordinary Act of Heroism on April 3, 1951

Mayor Rosenthal presented the commendation to Pete and Linda Haynes.

California Highway Patrol (CHP) Officer Johnny Starling presented the Commissioner's Medal of Distinction to Pete and Linda Haynes.

Mr. Haynes thanked CHP Commissioner Farrow and the Council.

ITEM 2.C. CITY ATTORNEY REPORT ON MEASURE R

City Attorney Hogin stated the public's interest was normally protected by handling litigation matters in Closed Session, but in this case she believed that the Council could address the matter in Regular Session. She stated a final judgement had not yet been handed down in the case involving City Measure R, so no action was required. However, she wanted to explain the basis of the court's decision and apprise the Council of its various options.

In response to Mayor Rosenthal, City Attorney stated the Council could discuss the matter but would take no action.

City Attorney Hogin explained City Measure R. She stated a voter approved initiative could not be amended by the Council. She discussed the facial challenge that was filed in federal court and then later also filed in state court. She stated the state superior court was obligated to favor voter initiatives when they could be read as constitutional. She stated she had worked closely, at the direction of the Council, with Remcho, Johansen and Purcell, the law firm representing the proponents. She stated voters were allowed to decide the rules by which the City would make administrative decisions. She discussed Measure R's requirement for a specific plan to obtain a permit. She discussed the Measure R savings clause and a provision that allowed a specific plan to cover more than one project. She stated the court concluded that the plan language made the specific plan requirements an administrative action, which invalidated Measure R. She stated the court had taken issue with the word "project," the requirement of a report on every project before placing a specific plan before the voters, and the requirement of a specific plan for any project. She stated the court was bothered by the fact that the Measure required a developer to apply for a project before the rules were determined. She discussed chain stores as a distinct use. She stated the court had taken issue with the conditional use permit (CUP) being attached to the tenant. She discussed options for enacting legislation to achieve the main components of Measure R, which were regulating chain stores, specific plans to more faithfully implement the General Plan, voter participation in the approval process, and that the requirements be Citywide. She discussed the option of

appealing the final judgment. She discussed application of Measure R if it passed facial challenge and the subsequent federal action.

ITEM 2.A. PUBLIC COMMENTS

Margaret Cole discussed her plan for an arboretum and a frisbee golf course. She discussed Legacy Park.

Peter Bielere deferred his time to Paul Elder.

Randee Bieler deferred her time to Paul Elder.

Paul Elder, St. Aidan's Episcopal Church, discussed Malibu's Community Assistance Resource Team (CART) and the homeless population in Malibu. He discussed Santa Barbara's Safe Parking Program and urged the Council to consider implementing a similar program.

Edith Morgan expressed concern regarding the security of her property.

Heather Anderson discussed bond funds for reconstruction of parts of Malibu High School. She stated construction needed to start by July 2016.

Colleen Baum discussed the proposed renovations to Malibu High School through use of the bond funds received 10 years ago.

Elaine Weissman expressed concern for disputes between Malibu Community Alliance (MCA) and Santa Monica-Malibu Unified School District (SMMUSD), which have prevented necessary renovations to Malibu High School.

John Mazza discussed Measure R.

Lloyd Ahern indicated opposition to the City appealing the court's final judgement regarding Measure R. He stated any appeal should be made and funded by the proponent.

Ted Vaill indicated support for the City appealing the court's final judgement regarding Measure R.

Mark Persson, Malibu Chamber of Commerce, discussed the legal vulnerabilities of Measure R. He indicated opposition to the City appealing the court's final judgement regarding Measure R. He stated any appeal should be made and funded by the proponent.

Lynne Daniels indicated opposition to the City appealing the court's final judgement regarding Measure R.

Michael Leahen stated it was a misuse of public funds to appeal the court's final judgement regarding Measure R.

Justine Petretti stated it was a waste of public funds to appeal the court's final judgement regarding Measure R.

Rob Daniels stated it was a waste of public funds to appeal the court's final judgement regarding Measure R.

Makan Delrahim stated it would be better to legislate rather than use public funds to appeal the court's final judgement regarding Measure R.

Les Steinmetz stated the community deserved another choice of grocery store. He indicated opposition to using public funds to appeal the court's final judgement regarding Measure R.

Michael Osterman indicated support for the City appealing the court's final judgement regarding Measure R.

Ozzie Silna discussed easement requirements.

Jeff Jennings stated appealing the court's final judgement regarding Measure R could result in overturning the facial challenge only to have as applied challenges in the future.

Ryan Embree discussed Measure R.

Paul Grisanti stated a long line of appeals of the court's final judgement regarding Measure R was not a good investment of the public's funds.

ITEM 2.B. COMMISSION / COMMITTEE / CITY MANAGER UPDATES

Carl Randall, Parks and Recreation Commission, discussed the timeline for park design for Bluffs Park. He discussed parking issues at Bluffs Park and overnight camping in Las Flores Creek Park. He announced a Las Flores Creek Park ribbon cutting on January 26, 2016.

City Manager Thorsen stated tree recycling would end on January 16, 2016. He encouraged the community to pick up free, filled sand bags at Zuma Beach and Will Rogers State Beach. He urged residents to take the online survey regarding design options for the Malibu Bluffs Parkland Project once it was on the City's website.

ITEM 2.D. SUBCOMMITTEE REPORTS / COUNCIL COMMENTS

Councilmember Sibert stated he attended the Southern California Association of Governments Economic Development Forum. He stated City Attorney Hogin had provided an unbiased set of options regarding Measure R.

Mayor Pro Tem La Monte congratulated Senior Planner Fernandez and Officer Haynes' family. He stated he was in Sacramento for meetings with legislators with the California Contract Cities annual tour. He stated he attended Assemblymember Richard Bloom's holiday food drive event and Senator Fran Pavley's holiday event. He stated he and Mayor Rosenthal attended a presentation from the Malibu Kiwanis Club to veteran Simon Jackson of an all-terrain wheelchair. He stated he judged the Malibu Boys and Girls Club Youth of the Year Award. He announced an Administration and Finance Subcommittee meeting on January 14, 2016.

Councilmember House congratulated Senior Planner Fernandez and Officer Haynes family. She expressed concern regarding delayed use of bond funds to repair Malibu High School.

In response to Councilmember House, City Manager Thorsen stated he would contact the California Coastal Commission regarding resolution to the bond issue. Councilmember House thanked City Attorney Hogin for her summary of the legal proceedings of Measure R.

Councilmember Peak congratulated Senior Planner Fernandez and thanked Officer Haynes for his service.

Mayor Rosenthal announced a Malibu Library Speaker Series event on January 12, 2016. She urged the community to register for emergency notifications through the City's website. She announced a Santa Monica College Board of Trustees meeting on January 13, 2016. She stated an agreement between MCA and SMMUSD was in the works, but urged the community to send letters to support a speedy resolution.

ITEM 2.C. CITY ATTORNEY REPORT ON MEASURE R (continued)

In response to Councilmember House, City Attorney Hogin stated a formula retail ordinance that included Measure R could be considered as long as the issue of requiring a CUP of each tenant was addressed. She stated the proponents were a party in the federal case but not the state case, but could apply to the judge as an intervener in the state case to appeal the final judgement themselves.

Councilmember Sibert stated City Attorney Hogin had answered his questions.

Councilmember Peak stated the desires of the constituents could be achieved through legislative means.

Mayor Pro Tem La Monte stated City Attorney Hogin's summary was very clear.

In response to Mayor Rosenthal, City Attorney Hogin stated an appeal would not be as costly as the initial litigation. She stated a court of appeal could find Measure R invalid for any number of reasons. She stated a successful appeal would mean facing subsequent federal action. She stated other formula retail ordinances that had not been challenged were not necessarily legal. Mayor Rosenthal discussed options for achieving the desires of the community.

In response to Councilmember Peak, City Attorney Hogin stated the only reason Measure W was put on the ballot was because Measure R required it, but if the final judgement on Measure R was not appealed by anyone, then Mr. Soboroff's project, as approved, would have no impediments.

In response to Mayor Rosenthal, City Attorney Hogin stated she was unclear as to whether Mr. Soboroff was satisfied with the permits as approved.

In response to Councilmember Peak, City Attorney Hogin stated any legislated chain store regulations would apply to Mr. Soboroff's project.

ITEM 3 CONSENT CALENDAR

MOTION Councilmember Peak moved and Councilmember House seconded a motion to approve the Consent Calendar. The question was called and the motion carried unanimously.

The Consent Calendar consisted of the following items:

- A. Previously Discussed Items
None.
- B. New Items
 - 1. Waive Further Reading
Recommended Action: After the City Attorney has read the title, waive full reading of ordinances considered on this agenda for introduction on first reading and/or second reading and adoption.
 - 2. Approve Warrants
Recommended Action: Allow and approve warrant demand numbers 46132-46296 listed on the register from the General Fund and direct the City Manager to pay out the funds to each of the claimants listed in Warrant Register No. 564 in the amount of the warrant appearing opposite their names, for the purposes stated on the respective demands in a total amount of \$786,179.08. City of Malibu payroll check numbers 4618-4620

and ACH deposits were issued in the amount of \$171,372.51.

3. Approval of Minutes

Recommended Action: Approve the minutes for the November 23, 2015 Regular City Council meeting.

4. Memorandum of Understanding for Integrated Regional Water Management Planning and Implementation

Recommended Action: 1) Adopt Resolution No. 16-01 authorizing the City's participation with other agencies in the Greater Los Angeles County (GLAC) Region Integrated Regional Water Management Plan Leadership Committee for the purpose of coordinating water resource planning activities related to grant funding including, but not limited to, California Proposition 1 and project implementation; and 2) appoint the City Manager, or his designee, as agent to conduct all negotiations and sign all documents which may be necessary to sign the Memorandum of Understanding.

5. Civic Center Wastewater Treatment Facility Water Quality Consultant

Recommended Action: Authorize the City Manager to execute a Professional Services Agreement with Earth Forensics, Inc. to be an "on-call/as-needed" consultant to review water quality data to provide reports and documents as needed by the City.

6. Amendment to Agreement with Newbury Park Tree Service, Inc.

Recommended Action: Authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Newbury Park Tree Service, Inc. to extend the term of the agreement for the City's Annual Tree Maintenance Program for an additional two years.

7. Amendment to Agreement with Ozone Water Systems, Inc.

Recommended Action: Authorize the City Manager to execute Amendment No. 5 to the Professional Services Agreement with Ozone Water Systems, Inc. for annual operations and maintenance of the City's Civic Center Stormwater Treatment Facility and the Paradise Cove Stormwater Treatment Facility.

8. Las Flores Canyon Creek Restoration and Park Improvements Project Phase 2 Completion and Acceptance of Work

Recommended Action: 1) Accept the work performed by GMZ Engineering Inc. for the Las Flores Canyon Creek Restoration and Park Improvements Project Phase 2 (Specification No. 2007.3) as complete; and 2) Authorize the Public Works Director to submit for recordation a Notice of Completion for the project.

9. Agreements for Emergency On-Call Street Maintenance Services

Recommended Action: Authorize the City Manager to execute agreements with J&H Engineering General Contractors Inc., Lee Construction Co., Sam Hill & Sons, Inc., and Excel Paving Company for Emergency On-Call Street Maintenance Services for Fiscal Year 2015-16.

ITEM 4 ORDINANCES AND PUBLIC HEARINGS

None.

ITEM 5 OLD BUSINESS

None.

ITEM 6 NEW BUSINESS

None.

ITEM 7 COUNCIL ITEMS

None.

ADJOURNMENT

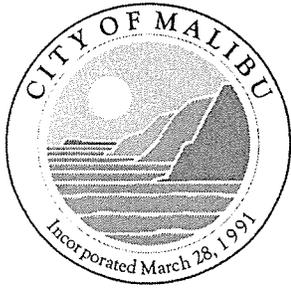
At 9:00 p.m., Mayor Rosenthal adjourned the meeting in memory of David Bowie.

Approved and adopted by the City Council of the
City of Malibu on _____, 2016.

LAURA ROSENTHAL, Mayor

ATTEST:

LISA POPE, City Clerk
(seal)



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Amy Crittenden, Recreation Manager 

Approved by: Jim Thorsen, City Manager 

Date prepared: January 19, 2016 Meeting date: February 8, 2016

Subject: Nomination for the Jake Kuredjian Citizenship Award

RECOMMENDED ACTION: At the recommendation of the Parks and Recreation Commission, approve the nomination of Joan House as the 2015 recipient of the Jake Kuredjian Citizenship Award.

FISCAL IMPACT: Funding for this award is included in the Adopted Budget for Fiscal Year 2015-16 in Account No. 100-4001-6160.

DISCUSSION: On February 25, 2002, the Council approved the recommendation sent by the Parks and Recreation Commission to create the Jake Kuredjian Citizenship Award. Since its creation, a total of 17 Malibu residents have received the award which is given to those who have demonstrated a commitment and involvement in addressing some aspect of improving or enhancing recreation in Malibu. The Jake Kuredjian Citizenship Award was created to not only honor the nominees, but to remember the outstanding bravery and contributions that Deputy Sheriff Hagop "Jake" Kuredjian gave during his work as a Los Angeles County Deputy. Deputy Kuredjian rescued a woman from a cliff in 1989 while stationed in Malibu and was unfortunately killed in the line of duty on August 31, 2001.

At its meeting on October 20, 2015, the Parks and Recreation Commission approved the nomination of Joan House as the 2015 recipient for the award. Joan House was selected because of her outstanding dedication to recreation in her 37 years as a Malibu resident. She was involved in drafting the Malibu General Plan and was instrumental in the creation of the Parks and Recreation Department after the City was incorporated. She was also on Council when the original Joint Use Agreement with Santa Monica Malibu Unified School District was created that helped fund building additional ball fields and the swimming pool at Malibu High School. Ms. House was also involved in the early stages of negotiating the land that Trancas Canyon Park is built on. She has always

been a huge advocate for recreation programs and constantly strives to find new ways and resources for the residents to be able to enjoy more parks, open space and recreation program opportunities.

The Parks and Recreation Commission requests the Council support the nomination of Joan House for the 2015 Jake Kuredjian Citizenship Award. If approved, a presentation item will be brought back to City Council at a later date.

ATTACHMENTS: Jake Kuredjian Citizenship Award- Nomination Form for Recipient Joan House



City of Malibu
Parks & Recreation Commission

Jake Kuredjian Citizenship Award
Nomination Form

The City of Malibu and the Parks & Recreation Commission created the Jake Kuredjian Citizenship Award to recognize those outstanding individuals who give of their time and resources to enhance the quality of parks and recreation programs within the Malibu community. Past recipients of this award have demonstrated an ongoing concern and involvement in some aspect of recreation in Malibu, and demonstrated the highest levels of citizenship that made a lasting contribution to the community.

Completed applications are to be submitted by mail, email, or fax to the Parks and Recreation Director at:

Malibu City Hall
23825 Stuart Ranch Road
Malibu, CA 90265
bstallings@malibucity.org
Fax: 310.317.0539

All nominations will be considered at a Regular Meeting of the Parks and Recreation Commission.

Name of Nominee: Joan House

Street Address _____ City _____ Zip _____

Home Telephone _____ Cell Telephone _____

Person Nominating: Justine Petretti

30608 Vista Sierra drive Malibu
Street Address _____ City _____ Zip _____

Home Telephone ~~(310) 457-5000~~ Cell Telephone ~~(310) 103-3207~~

History of Service: Please provide detailed information demonstrating the nominee's involvement in the Malibu Community, particularly related to community service and recreation.

Joan has lived in Malibu for over 37 years. she helped write The Malibu General Plan and started the Parks + Recreation department with out her tenacity, knowledge and dedication to our city we would have very little in the way of Parks + Recreation and the preservation of Rural Malibu. Joan is responsible for the Joint use agreement with the school district for the pool + ball fields, the purchase of las Flores park + Trancas Park, and the opening of the Senior center, the renovation of the new Malibu Library, and a partner ship w/ Santa Monica College to build an educational

Joan also is an avid supporter of the landing field - facility + more sports field.

Lasting Contributions: Please provide detailed information regarding nominee's contributions to the Malibu community that are still recognized today.

Parks + Recreation Department
Malibu General Plan
Library Task force
Las Flores & Trancas Park
Malibu Senior Center
Landswap - Chumlee for Bluffs
4 terms on City Council
Signed official proclamation to protect Marine
wildlife.

Citizenship: Please provide example(s) of the nominee's demonstration of good citizenship.

Countless years on councils & commissions
Wants to create a teen center @ Michael Landon
center, was in the Peace Core, trying
to reduce our carbon imprint w/ a
Malibu shuttle. Raised her family in Malibu
and has devoted her life to improving our
community.

Justine Petretti

Signature of Nominator

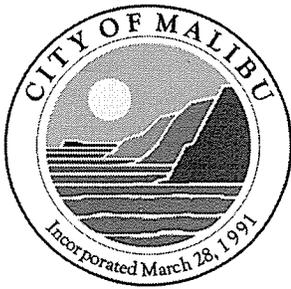
6/16/14

Date

Date Received:

Reviewed by Staff:

Presented to Commission:



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Reva Feldman, Assistant City Manager 

Approved by: Jim Thorsen, City Manager 

Date prepared: January 21, 2016 Meeting date: February 8, 2016

Subject: Agreement with Wells Fargo Bank for Governmental Banking Services

RECOMMENDED ACTION: Authorize the City Manager and Assistant City Manager to execute an agreement with Wells Fargo Bank for Governmental Banking Services.

FISCAL IMPACT: There is no direct fiscal impact associated with this agreement. If approved, the City's checking and petty cash banking services will be handled by Wells Fargo Bank. The bank service fees charged by Wells Fargo Bank are comparable to the fees currently paid by the City to Bank of America.

DISCUSSION: The City uses Bank of America for its checking and petty cash accounts. Bank of America informed the City that they will no longer be handling governmental accounts. The City must close all accounts with Bank of America by the end of February 2016.

On November 25, 2015, the City issued a Request for Proposals (RFP) for banking services. The City received one proposal from Wells Fargo Bank in response to the RFP.

The proposal from Wells Fargo meets the criteria established by the City, including that Wells Fargo has two branches located within the City. Wells Fargo Bank will assign dedicated staff to the City's accounts. Additionally, Wells Fargo Bank is able to provide many online services which can help streamline the City's banking processes. Wells Fargo Bank's governmental services and policies meet the requirements of the City, and, additionally, the City currently uses Wells Fargo Bank for its long-term investment accounts.

The City Treasurer reviewed the banking proposal and recommends that the City enter into a banking services agreement with Wells Fargo Bank.

The Administration and Finance Subcommittee discussed the proposed agreement on January 25, 2016 and recommended that the Council approve the agreement.

ATTACHMENTS: Banking Services Agreement with Wells Fargo Bank

Treasury Management Product Enrollment

Customer Information

Customer Name City of Malibu CEO Company ID _____

Street Address _____

City _____ State _____ Zip _____

Country Name United States Country Code (if applicable) _____

Primary Contact _____ Phone _____

Email Address _____ Fax _____

Acceptance of Services

Each person signing in the signature block at the end of this form certifies that:

the customer identified in the signature block ("Customer" or "Company") has received and agrees to be bound by the Service Documentation for the Treasury Management Services (each, a "Service") in which Customer is enrolling as of the date of this form. "Service Documentation" is defined in Wells Fargo Bank, N.A.'s ("Bank") Master Agreement for Treasury Management Services.

Customer has granted the person(s) signing the signature block the authority on Customer's behalf to (i) enter into this and other agreements with Bank for Services on or after the Effective Date of this form and (ii) amend, terminate or otherwise act on behalf of Customer with respect to this form and the Services.

Customer's use of any Service, including each Service Customer enrolls in after the Effective Date of this form, confirms Customer's receipt of and agreement to be bound by the Service Documentation relating to that Service.

"Customer" may also be referred to as "Company" in the Service Documentation.

Customer Entity

Name(s) City of Malibu TIN, SSN, Int'l, or Gov ID(s) 000000000

Customer Approval - (Authorized Signature Required)

Each person who signs this form on Customer's behalf is authorized to do so by resolution, agreement or other legally sufficient action of the governing body of Customer, if Customer is not an individual, or is an Authorized Signer on Customer's account.

Printed Name of Authorized Signer _____ Phone _____

Signature _____ Date _____

INTERNAL BANK USE ONLY	
Bank Approval	
Printed Name of Relationship Manager/Authorized Approver _____	Phone _____
Relationship Manager/Authorized Approver Signature* _____	Date _____
<i>*By signing this document you are approving and acknowledging this individual is authorized to make these changes on behalf of this company.</i>	



Master Agreement for Treasury Management Services

The Service Documentation described below contains the terms under which Wells Fargo Bank, N.A. and the banks, branches or subsidiaries listed in Appendix X (each, "Bank") provide treasury management services ("Services"). The Bank customer to which the Services will be provided ("Customer") is identified in the Treasury Management Product Enrollment form or other product enrollment form(s) with acceptance of services language acceptable to Bank (e.g., Mandate Letter) (collectively, the "Acceptance").

Bank and Customer agree:

1. **Service Documentation.** The Service Documentation contains the terms governing each Service and includes:
 - 1.1. The Service Description;
 - 1.2. The Acceptance;
 - 1.3. This Master Agreement for Treasury Management Services ("Agreement");
 - 1.4. The account agreement governing the account(s) (each, an "Account") Customer uses in connection with the Service; and
 - 1.5. User Guides, which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices.

The documents and individual provisions of the Service Documentation are intended to complement one another, and the Service Documentation as a whole.

This Agreement and Service Descriptions are posted at Bank's *Commercial Electronic Office*® (*CEO*®) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Customer's use of a Service confirms Customer's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to a Service or other change requires a change to a Service Description, Bank will post an updated Service Description on the *CEO* portal. When required by Applicable Law (as defined below), Bank will notify Customer of the update. If Customer continues to use the Service after the update takes effect, Customer will be deemed to have agreed to the update.

As used in this Agreement, the term "Applicable Law" means all applicable laws (including common or customary laws), statutes, constitutions, policies, decrees, judgments, treaties, regulations, directives, by-laws, rulings, orders or operating circulars governing the activities of Bank and/or any transaction effected under this Agreement, including, but not limited to, all applicable funds transfer system and

clearing and settlement house rules governing the transactions effected under this Agreement.

- 2. Services.** Bank and Customer will agree upon the Service(s) to be provided. Each Service in the applicable jurisdiction is subject to the approval by the applicable branch or subsidiary of Bank. Customer may not begin using a Service until Bank has received all required and properly executed forms and Customer has successfully completed any testing or training requirements. To assist in Bank's establishment or maintenance of its limits or other processing arrangements, or to assist in Bank's compliance with Applicable Law, Customer will provide Bank with all such financial and/or other information Bank reasonably requests.
- 3. Changes to Services.** Bank may change (or add to) the terms and fees in the Service Documentation at any time. When required by Applicable Law, Bank will notify Customer of the change. If Customer continues to use a Service after the change becomes effective, it will be bound by the change.
- 4. Term and Termination.** Unless earlier terminated in accordance with the Service Documentation, this Agreement and each Service will continue in effect until terminated by either party upon 30 days' prior written notice to the other party. Bank may suspend or terminate any Service: (a) following notice to Customer of a breach of any provision of the Service Documentation or any other agreement with Bank, and Customer's failure to cure the breach (if capable of cure) within 15 days of the date of such notice; or (b) without prior notice to Customer if (i) Bank reasonably suspects that an Account associated with a Service has been compromised or otherwise subject to irregular, unauthorized, fraudulent or illegal activity, (ii) Customer is subject to, voluntarily or involuntarily, or any action or step is commenced or any resolution is passed that may result in Customer being subject to any bankruptcy, insolvency, winding up, liquidation, judicial management, receivership, administrative management, reorganization or other similar proceeding in any jurisdiction, (iii) Bank determines in its sole discretion that its continued provision of a Service may place Bank at risk of financial loss or result in an unacceptable credit exposure, (iv) Customer terminates, liquidates, or dissolves its business or disposes of a substantial portion of its assets, (v) Customer fails to timely pay its debts, (vi) Customer initiates any composition with its creditors, (vii) any guaranty of Customer's obligations to Bank is terminated, revoked, or its validity contested by the guarantor, (viii) Bank determines in its sole discretion that a material adverse change has occurred in Customer's ability to perform its obligations under the Service Documentation, or in the ability of a guarantor of Customer's obligations to Bank to perform its obligations under the applicable guaranty agreement, or (ix) the Account necessary to provide a Service is closed. The termination of a Service will not affect Customer's or Bank's rights with respect to transactions occurring before termination. Bank will not be liable to Customer for any losses or damages Customer may incur as a result of any termination of any Service.
- 5. Service Fees.** Customer will pay Bank the fees described in the Service Documentation and any taxes applicable to each Service however designated exclusive of taxes based on Bank's net income. Bank may debit the Account(s) for any fees not covered by earnings credits and any taxes that are due, or it may send an invoice to Customer for such amounts, which Customer shall promptly pay.

Bank's charges and fees shall be set forth as expressed in Bank's applicable fee schedule for Services used in connection with the Account.

- 6. Confidential Information.** Unless otherwise provided in the Service Documentation, all User Guides and Terms of Use constitute Bank's or its vendor's confidential information ("Confidential Information"), and Customer will not acquire any ownership interest in or rights to Confidential Information as a result of Customer's use of any Service. Customer will (a) maintain the confidentiality of the Confidential Information; (b) not disclose (or permit its employees or agents to disclose), copy, transfer, sublicense or otherwise make any of it available to any person or entity, other than Customer's employees who have a need to use the Confidential Information in connection with the applicable Service; and (c) not decompile, reverse engineer, disassemble, modify, or create derivative works of any Confidential Information. Customer will notify Bank immediately if it knows or suspects that there has been any unauthorized disclosure, possession, use or knowledge (each, an "Unauthorized Use") of any Confidential Information. If Customer (or its employees or agents) is responsible for the Unauthorized Use, Customer will, at its expense, promptly take all actions, including without limitation initiating court proceedings to recover possession and prevent further Unauthorized Use of the Confidential Information and obtain redress for any injury caused to Bank as a result of such Unauthorized Use.
- 7. Currency.** When Customer requests or instructions require that Bank convert the amount of a payment order from the currency in which the Account is denominated ("Account Currency") to another currency ("Foreign Currency"), Bank will do so using its applicable rate of exchange in effect at the time on the day Bank executes the payment order. If a financial institution designated to receive the funds does not pay the beneficiary specified in the payment order, and the funds are returned to Bank, Bank will not be liable to Customer for a sum in excess of the amount of the payment order after Bank has converted it from the Foreign Currency to the Account Currency using the applicable rate of exchange in effect at the time on the day Bank confirms the cancellation of the payment order. Bank bears no liability if the rate it uses for a particular transaction, i.e., the "applicable rate," differs from rates offered or reported by Bank or by third parties, or based upon different times of day, amounts, locations or involving different systems, agents or procedures. Currency exchange rates fluctuate over time, based upon market conditions, liquidity and risk. Customer acknowledges and accepts the risks of such fluctuations between the time Customer requests a payment order and the time the payment order is either completed or is unwound due to a cancellation, an amendment, a rejection or a return.
- 8. Liability and Indemnification.**
- 8.1.** Bank is under no obligation to honor, in whole or in part, any payment order or other instruction that: (a) exceeds the available balance in the Account, unless otherwise provided in the Service Documentation; (b) is not in accordance with the Service Documentation or Bank's applicable policies, procedures or practices as made available to Customer; (c) Bank has reason to believe may not have been duly authorized, should not be honored for its or Customer's protection, or involves funds subject to a hold, dispute,

restriction or legal process; or (d) would possibly result in Bank's contravention of any Applicable Law.

- 8.2.** All uses of Services through Customer's ID codes, passwords, token cards, PINs, or passcodes (each, a "Code") will be deemed to be authorized by and binding on Customer, except as provided for in the Service Documentation. Customer's failure to protect Codes may allow an unauthorized party to: (a) use the Services; (b) access Customer's electronic communications and financial data; and (c) send or receive information and communications to Bank. Customer assumes the entire risk of unauthorized use of Codes and unencrypted electronic transmissions.
- 8.3.** Neither Bank nor any software vendor makes any express or implied representations or warranties with respect to the Services or any software used in connection with the Services including without limitation any warranty as to the merchantability or fitness for a particular purpose, other than those expressly set forth in the Service Documentation.
- 8.4.** Customer will promptly furnish written proof of loss to Bank and notify Bank if it becomes aware of any third party claim related to a Service. Customer will cooperate fully (and at its own expense) with Bank in recovering a loss. If Customer is reimbursed by or on behalf of Bank, Bank or its designee will be subrogated to all rights of Customer.
- 8.5.** Except as otherwise provided in the account agreement governing the Account, any claim, action or proceeding against Bank for losses or damages arising from a Service, must be brought within one year from the date of the act or omission.
- 8.6.** Bank will have no liability for failure to perform or delay in performing a Service if the failure or delay is due to circumstances beyond Bank's reasonable control. If Bank determines that any funds transfer or communications network, Internet service provider, or other system(s) it has selected to provide a Service is unavailable, inaccessible or otherwise unsuitable for use by Bank or Customer, Bank may, upon notice to Customer, suspend or discontinue the affected Service.
- 8.7.** Except in the case of Bank's negligence or intentional misconduct, Customer will indemnify and hold Bank, its directors, officers, employees and agents harmless from all losses or damages that arise out of: (a) the performance of a Service in accordance with the Service Documentation including without limitation any warranty Bank is required to make to a third party in connection with a Service; (b) an act or omission of any agent, courier or authorized representative of Customer; and (c) if the Service includes a license or sublicense of any software to Customer, the use or distribution of the software by Customer or any person gaining access to the software through Customer that is inconsistent with the license or sublicense.
- 8.8.** Bank will only be liable to Customer for actual damages incurred as a direct result of Bank's failure to exercise reasonable care in providing the Services. Reasonable care requires only that Bank follow standards that do not vary

unreasonably from the general standards followed by similarly situated banks. Bank's policies and procedures are general internal guidelines for Bank's use and do not establish a higher standard of care for Bank than otherwise established under Applicable Law. A mere clerical error or an honest mistake will not be considered a failure of Bank to perform any of its obligations. Bank's liability to Customer will be limited to an amount not to exceed 10 times Bank fees incurred during the calendar month immediately preceding the calendar month in which such loss or damages were incurred (or, if no Bank fees were incurred in such month, Bank fees incurred in the month in which the losses or damages were incurred).

- 8.9.** Except as expressly provided otherwise in the Service Documentation, neither party to this Agreement nor its respective directors, officers, employees or agents will be liable to the other party for: (a) any special, consequential, incidental (including without limitation court costs and attorneys' fees), indirect, or punitive losses or damages; or (b) business interruption, loss of profits, loss of business, loss of revenue, loss of goodwill, loss of opportunity, loss or injury to reputation or loss of anticipated savings, whether any claim is based on contract or tort, or whether the likelihood of such losses or damages was known to the other party and regardless of the form of the claim or action.
- 8.10.** Where Customer sends payments on behalf of its third party customers, Customer agrees it is solely liable to its customers for any and all losses such customers may suffer. Bank hereby excludes all and any liability of whatever nature (including those losses enumerated in subsection 8.9 of this Agreement) arising out of Customer's relationship with its customer.
- 9. Governing Law.** The Service Documentation shall be governed by: (a) U.S. federal law and (b) the law of (i) the U.S. state in which the office of Bank that maintains the Account is located or, if there is no such state or no account associated with such Service, (ii) the State of New York, without reference to its principles of conflicts of laws ("Governing Law").
- 10. Arbitration Agreement.** Upon demand of either party, any controversy or claim arising out of or relating to this Account Agreement, or the breach thereof, must be submitted to arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules, and must be heard before three arbitrators if the amount in controversy is US \$5,000,000 or more or its equivalent in any other currency, and before one arbitrator for amounts in controversy of less than US \$5,000,000 or its equivalent in any other currency. Arbitration will proceed in a location selected by AAA in the state of the applicable Governing Law, and if there is no such state, the place of arbitration must be New York, NY. The language of the arbitration must be English. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. This arbitration requirement does not limit the right of either party to: (a) exercise self-help remedies including setoff or (b) obtain provisional or ancillary remedies such as injunctive relief or attachment, before, during or after the pendency of any arbitration proceeding. This exclusion does not constitute a waiver of the right or obligation of either party to submit any dispute to arbitration hereunder, including

those arising from the exercise of the actions detailed in (a) and (b) of this subsection.

11. Jurisdiction. For any proceedings regarding this Agreement (not subject to arbitration in Section 10), Customer hereby irrevocably submits to the jurisdiction of the courts of the Borough of Manhattan, New York City, in the State of New York or the federal courts located therein over any action or proceeding arising out of or relating to this Agreement and irrevocably agrees that all claims in respect of such action or proceeding may be heard or determined in such courts.

12. Miscellaneous.

12.1 Severability. Any portion of the Service Documentation which is inconsistent with Applicable Law or Governing Law will be deemed modified and applied in a manner consistent therewith, and Bank will incur no liability to Customer as a result of the inconsistency or modification and application to any dispute regarding the Service Documentation. If any portion or provision of the Service Documentation is deemed unenforceable, it will not affect the legality, enforceability or validity of the remaining Service Documentation nor the legality, enforceability or validity of such portion or provision under the law of any other jurisdiction.

12.2 Entire Agreement. The Service Documentation (and any documents referred to therein) constitutes and represents the entire agreement between Bank and Customer regarding the Services we provide for all Accounts opened at Bank and supersedes and extinguishes all prior agreements, understandings, representations, warranties and arrangements of any nature (including requests for proposals and other sales material), whether oral or written, between Customer and Bank relating to any such Service (including any other Master Agreement for Treasury Management Services, but excluding the current Commercial Account Agreement or Global Commercial Account Agreement, as applicable).

12.3 No Waiver. Neither the failure nor any delay by Bank in exercising any right, remedy, power or privilege shall be deemed to be a waiver of such right, remedy, power or privilege. No course of dealing or waiver of any right on one occasion will constitute a modification of the Service Documentation or be a waiver of that right on a subsequent occasion.

12.4 No Third Party Beneficiaries. Except as otherwise provided in the Service Documentation, no person or entity other than Customer and Bank will be deemed to be a third party beneficiary under the Service Documentation.

12.5 Financial Condition. Customer will provide Bank promptly upon Bank's request any existing financial statements or other information pertaining to Customer's financial condition or any previously unprepared financial statements which Bank may require Customer to prepare and/or to be audited or reviewed by independent certified public accountants acceptable to Bank.

12.6 Customer's Representations and Warranties. Customer represents and warrants that: (a) it will not use any Service in a manner that could result in a contravention of Applicable Law by Customer or Bank; and (b) if Customer employs an agent in connection with its use of any Service, Customer represents and warrants to Bank that: (i) Customer's governing body has duly authorized the agent and (ii) Customer will exercise appropriate controls to ensure each agent so authorized does not exceed the authority so granted to it.

12.7 Customer Communications. Any communication to Bank regarding Customer's use of a Service from Customer's agent will be deemed to be a communication from Customer, and Customer authorizes Bank to communicate with Customer's agent regarding any such communication or Service.

12.8 Notice. Either party may provide notice to the other party by mail, personal delivery, or electronic transmission. Customer will notify Bank promptly in writing of any change in its name, Address, legal status, electronic contact information (including an e-mail address or otherwise), or any other changes relevant to the conduct of the Account or affecting Customer's business relationship with Bank. The term "Address" as used herein refers to a mailing or electronic address. Customer will use the Address where Customer's relationship manager or other manager is located and will address any notice to the attention of such manager.

Bank will be entitled to rely on any notice from Customer that it believes in good faith was authorized by an authorized representative of Customer and, except as expressly stated in another agreement between Customer and Bank, will have no obligation to verify the signature (including an electronic signature). Each party will have a reasonable time after receipt of any notice to act on it

12.9 Survival. Sections 1, 4, 5, 6, 7, 8, 9, 10, 11, and 12 will survive termination of this Agreement.

APPENDIX X

Applicable Branches or Subsidiaries of Bank

1. Wells Fargo Bank, N.A. – London Branch
2. Wells Fargo Bank, N.A. – Cayman Islands Branch

FUNDS AVAILABILITY POLICY
Wholesale Banking
Effective October 1, 2014



The policy of Wells Fargo Bank, National Association ("Bank" or "Wells Fargo"), is to make funds from Company's check deposits to Company's account (in this policy, each an "account") available to Company on the first business day after the day Bank receives the deposits, subject to the following.

Funds from the following deposits are available on the first business day after the day of Company's deposits (i) if Company makes the deposit through an employee or agent in person to one of Bank's employees and (ii) if it uses a special deposit slip available from Bank upon request:

- State and local government checks that are payable to Company.
- Cashier's, certified, and teller's checks that are payable to Company where Bank is not the issuer or drawee.

While Bank generally makes funds from Company's check deposits available to Company on the first business day after the day Bank receives the deposits, Bank's policy grants availability in accordance with an availability schedule or schedules provided or made available by Bank to Company contemporaneously with this policy or from time to time thereafter, subject, among other things, to the location of the deposit transaction or the manner in which the deposit is made.

Our funds availability policy relating to other types of deposits is described below. If we delay the availability of a deposit, the length of the delay varies depending on the type of deposit as explained below.

Once they are available, Company may withdraw the funds in cash and Bank will use the funds to pay checks that Company has written and fees and expenses that Company has incurred in connection with the account.

Determining the day of receipt

For determining the availability of Company's deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If Company makes a deposit before Bank's established cutoff time on a business day that Bank is open, Bank will consider that day to be the day of Company's deposit. For deposits granted same calendar day availability as described below, the calendar day Company makes the deposit will be considered the day of deposit. For all other deposits, if Company makes a deposit after the cutoff time or on a day Bank is not open, Bank will consider the deposit was made on the next business day Bank is open. Cutoff times may vary by location and are posted in each store. The earliest cutoff time for a store is 2:00 p.m. local time. Cutoff time for checks deposited at a Wells Fargo ATM is 9:00 p.m. local time (8:00 p.m. in Alaska).

The length of the delay varies depending on the type of deposit as explained below.

Same calendar day availability

The following deposits will be available on the calendar day Bank receives the deposit:

- The first \$200 of a day's check deposits made through a Wells Fargo ATM.
- Cash deposited through a Wells Fargo ATM.

Same business day availability

The following deposits will be available on the business day Bank receives the deposit:

- Incoming wire transfers.
- Electronic direct deposits.
- Cash deposited at a teller window.
- Checks drawn on Bank.

If Company does not make its deposit in person to one of Bank's employees (for example, if Company mails the deposit), funds from these deposits will be available on the second business day after the day Bank receives Company's deposit.

Longer delays may apply

In some cases, Bank will not make all the funds that Company deposits by check available to Company on the first business day after the day of Company's deposits. Depending on the type of check Company deposits, funds may not be available until the second or third* business day after the day of deposit. The first \$200 of Company's deposit, however, may be available on the first business day.

Except as otherwise explained in this paragraph, if Bank is not going to make all funds from Company's deposit available on the business day of deposit or the first business day, Bank will notify you at the time Company makes its deposit. Bank will also tell Company when the funds will be available. If Company's deposit is not made directly to a Bank employee, or if Bank decides to take this action after Company's employee or agent has left the premises, Bank will mail the notice by the first business day after Bank receives the deposit.

In addition, funds Company deposits by check may be delayed for a longer period under the following circumstances:

- Bank believes a check Company deposits will not be paid.
- Company deposits checks totaling more than \$5,000 on any one day.
- Company redeposits a check that has been returned unpaid.
- Company has overdrawn its account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

Bank will notify Company if it delays Company's ability to withdraw funds for any of these reasons, and Bank will tell Company when the funds will be available. The funds will generally be available no later than the seventh or eighth* business day after the day of your deposit.

Holds on other funds (check cashing)

If Bank cashes a check for Company that is drawn on another bank, it may withhold the availability of a corresponding amount of funds that are already in the account. Those funds will be available at the time funds from the check Bank cashes would have been available if Company had deposited it.

Holds on other funds (other accounts)

* Bank may delay availability of funds by one additional business day for certain checks deposited at a Bank location in Alaska. This right applies only if the check is drawn on or payable at or through a paying bank not located in Alaska.

If Bank accepts a check for deposit that is drawn on another bank, it may make funds from the deposit available for withdrawal immediately but delay Company's ability to withdraw a corresponding amount of funds that Company has on deposit in another account with Bank. The funds in the other account would then not be available until the time periods that are described in this policy.

Delays on other funds

Funds from any deposit (cash or checks) into accounts domiciled in Iowa and Nebraska made at eligible non-Wells Fargo ATMs in those same states will not be available until the third business day after the day of Company's deposit. This rule does not apply at ATMs that Bank owns or operates. All ATMs that Bank owns or operates are identified on Bank's machines as "Wells Fargo."

© 2014 Wells Fargo Bank, N.A. All rights reserved.

ACH ORIGATION SERVICE DESCRIPTION

1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") ACH origination service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices.

This Service Description and the Master Agreement are posted at Bank's *Commercial Electronic Office*® (*CEO*®) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the *CEO*® portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Services.** The Service enables Company to originate automated clearing house ("ACH") credit and debit entries in accordance with the National Automated Clearing House Association Operating Rules and any applicable local ACH rules (collectively, the "ACH Rules"; see section 3). Company will maintain one or more deposit account(s) at Bank or Bank's affiliate (each, an "Account"), that Bank may use to process such Entries. An "Entry" is an ACH debit or credit entry issued in Company's name, and a "File" is the data file or batch release used to transmit one or more Entries to Bank. Section 6 of this Service Description describes (a) the means Bank offers to Company for transmitting Files to Bank (each, an "Initiation Method") and (b) the means Bank will use to verify Company's authorization of a File or a communication amending or canceling an Entry or File (each, a "Security Procedure"). When Bank acts with respect to an Entry as both the originating depository financial institution ("ODFI") and receiving depository financial institution ("RDFI"), as ODFI and RDFI are defined by the ACH Rules, the Entry is an "on-us Entry."
3. **ACH Rules.** Company (a) authorizes Bank to originate Entries on behalf of Company to Receivers' accounts; (b) agrees to be bound by the ACH Rules; and (c) agrees not to originate Entries that violate the laws of the United States. In addition, Company agrees Bank may audit Company's compliance with the Service Documentation and the ACH Rules.
4. **Preparation of Entries and Files; Processing Schedules.** Company will prepare each File in accordance with the ACH Rules and the guidelines Bank separately makes available to Company. Bank will process each File in accordance with Bank's then current processing schedule and any instructions regarding the date an Entry is to be settled that Company furnishes with the Entry provided (a) Bank receives the File by Bank's applicable cutoff time on a Business Day and (b) the ACH is open for business. Files will be deemed received by Bank when the transmission of the File to Bank is

completed and authenticated in compliance with the Security Procedure. If Bank receives a File after Bank's applicable cutoff time or on a day when the ACH is not open for business, the File will be treated as having been received prior to Bank's applicable cutoff time on the next Business Day on which the ACH is open for business. A "Business Day" is every day except Saturday, Sunday and federal holidays.

5. **Inconsistency of Name and Number.** If an Entry describes a "Receiver" (as defined in the ACH Rules), both by name and identifying number, the RDFI may pay the Entry on the basis of the identifying number, even if the number identifies a person different from the named Receiver. If an Entry describes the RDFI both by name and identifying number, Bank, a gateway operator or another financial institution handling the Entry may rely on the identifying number to identify the RDFI, even if the identifying number refers to an institution other than the named RDFI.
6. **Initiation Methods and Security Procedures.** This section lists the Initiation Methods and describes the Security Procedures Bank offers for ACH origination. Company's elections regarding Initiation Methods and Security Procedures are set forth in the Acceptance.

6.1. Commercial Electronic Office[®] (CEO[®]) Initiation Method.

The CEO[®] portal is Bank's electronic banking portal that is accessed via the Internet. The CEO[®] security procedures are log-on credentials specified by Bank including a company ID, user ID, password, token, and any other authentication or authorization process Bank requires from time to time. Bank's standard CEO[®] security procedures also include dual custody for select, high-risk ACH activities. With dual custody, an authenticated second user approves these activities. There is no additional charge for dual custody.

6.2. Direct Origination Initiation Method.

Secure Application File Exchange Transmission ("SAFE-T"). This transmission platform offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2).

IBM[®] Connect:Direct[®] with Secure Plus+. Secure Plus+ is an add-on to Connect Direct to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Connect Direct[®] is a registered trademark of Sterling Commerce, Inc. an IBM Company.

SWIFT[®] FileAct. SWIFT has established procedures for controlling access to SWIFT messaging services that may include access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages including without limitation Files based on SWIFT message type prior to accepting them for routing as SWIFT messages. This authentication may include confirming the sender and recipient of the message have exchanged bilateral keys ("BKE"), entered into a relationship management application ("RMA") agreement, or taken other steps to secure the transmission of SWIFT messages between them as SWIFT requires from time to time.

6.3. Payment Manager[®] Initiation Method.

Secure Application File Exchange Transmission ("SAFE-T"). This transmission platform offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2).

Machine-to-Machine (“M2M”). This transmission method may use an XML message interface that is based on the Interactive Financial eXchange (IFX) message standard using SOAP structured messages or other formats and protocols such as JSON and REST. Data is communicated via the Internet using 128-bit encryption and Secure Socket Layers (SSL).

IBM® Connect:Direct® with Secure Plus+. Secure Plus+ is an add-on to Connect Direct to enhance security by means of Secure Socket Layer (“SSL”) or Transport Layer Security (“TLS”). Connect Direct® is a registered trademark of Sterling Commerce, Inc. an IBM company.

Value-Added Network (“VAN”). With this transmission method, a third party serves as an intermediary for transmitting data between Company and Bank. Procedures for transmitting Payment Orders may vary by VAN. Bank follows the procedures of the VAN selected by Company to authenticate each File transmitted to Bank through the VAN in Company’s name.

SWIFT® File Act. SWIFT has established procedures for controlling access to SWIFT messaging services that may include access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages including without limitation Files based on SWIFT message type prior to accepting them for routing as SWIFT messages. This authentication may include confirming the sender and recipient of the message have exchanged bilateral keys (“BKE”), entered into a relationship management application (“RMA”) agreement, or taken other steps to secure the transmission of SWIFT messages between them as SWIFT requires from time to time.

6.4. Security Procedure Elected by Company’s Third Party Service Provider.

Company is utilizing a Third Party Service Provider (“TPSP”) as defined in the ACH Rules to originate Entries and Files on Company’s behalf. Bank will authenticate each File transmitted to Bank in Company’s name in accordance with the security procedure the Company’s TPSP has elected. Company will notify Bank of any change to Company’s TPSP in a manner affording Bank a reasonable opportunity to act on the information.

6.5. Non-Standard Security Procedure.

If Company has refused to utilize any of the security procedures described above, then the Security Procedure Company will use is described on Attachment B to the Treasury Management Product Enrollment form.

7. Company’s Payment Obligations. As of the applicable settlement date, Company will maintain available funds in each Account sufficient to cover the credit Entries originated against it. Company’s obligation to pay Bank for each credit Entry matures when Bank transmits the credit Entry to the ACH or gateway operator or posts an on-us Entry. Bank is authorized to debit the Account for the total amount of all credit Entries originated from it at any time. If requested by Bank, Company will pay to Bank, in immediately available funds, an amount equal to all credit Entries Company originates through Bank before the date Bank delivers the credit Entries to the ACH or gateway operator or posts an on-us Entry. If Company fails to comply with Bank’s request, Bank may refuse to send the Entries to the ACH or gateway operator or post an on-us Entry. Bank may take such other actions as it deems necessary or appropriate to ensure Bank receives payment for Company’s credit Entries including without limitation (a) upon notice to Company, placing a hold on funds in any account at Bank or any affiliate of Bank that Company owns in whole or in part sufficient to cover Company’s credit Entries and (b) setting

off against any amount Bank or an affiliate of Bank owes Company. In addition, Bank may charge the Account or any other Company account at Bank or any affiliate of Bank for any debit, correcting or reversing Entry which is later returned to Bank.

8. **Provisional Credit.** A credit to Company's Account for an Entry is provisional until Bank receives final settlement for the Entry. If Bank does not receive final settlement, Bank is entitled to debit Company's Account or any other accounts Company owns in whole or in part at Bank or any affiliate of Bank for the amount of the Entry. Company will pay any shortfall remaining after such debit to Bank immediately upon demand.
9. **Rejected Entries.** Bank may reject an Entry or File if Company fails to comply with the terms of this Service Description. Bank will attempt to notify Company promptly so Company may cure the defect but will have no liability to Company for rejecting an Entry or File or any loss resulting from Bank's failure to provide notice. If Company requests Bank repair an Entry or File and Bank attempts to do so, Bank will not be liable if it is unable to make the requested repair. Company will pay all charges and expenses Bank incurs in connection with any repair or attempted repair.
10. **Cancellation, Amendment, Reversal.** Company has no right to cancel, amend or reverse an Entry or File after its receipt by Bank. If Company requests Bank cancel, amend or reverse an Entry or File, Bank may, at its sole discretion, attempt to honor such request but will have no liability for its failure to do so. Company will reimburse Bank for any expenses, losses or damages Bank incurs in effecting or attempting to effect Company's request.
11. **Returned Entries.** Bank will have no obligation to re-transmit a returned Entry or File to the ACH or gateway operator, or to take any further action with respect to a returned on-us Entry, if Bank complied with the terms of this Service Description with respect to the original Entry or File. Company will reimburse Bank for any returned debit Entries on the same day Company receives notice of such returned Entry.
12. **Reconstruction of Entries and Files.** Company will retain sufficient records to permit it to reconstruct each Entry and File it delivers to Bank for a period of five (5) Business Days after the applicable settlement date and will submit the reconstructed Entry or File to Bank upon request.
13. **Audit.** Company grants Bank ongoing access to Company's Files and the right to audit periodically such Files and Company's ACH processes and controls so Bank can verify Company's compliance with this Service Description.
14. **Bank's Internal Risk Parameters.** Bank establishes internal risk parameters to identify out-of-pattern or suspect Entries or Files and protect Company and Bank from potential losses. These parameters may include without limitation limits on debit and credit settlements on a single Business Day and/or over multiple consecutive Business Days. Bank may pend or delete an Entry or File exceeding the applicable parameters. In addition, any transaction TYPE (debit or credit) or SEC (standard entry class) as defined in the ACH Rules may, at Bank's option, be conditioned upon Bank's prior approval. Upon notice to Company, Bank may discontinue processing a TYPE and/or SEC of transactions Bank has previously processed for Company.
15. **International Entries.**
 - 15.1. **General.** This section contains additional terms applicable when the financial institution holding the account designated to receive an Entry is in a jurisdiction ("Receiving Country") other than the United States (each, an "International Entry"). Bank will process each International Entry in accordance with (a) the laws and payment system rules of the Receiving Country (b) any agreement governing International Entries between Bank and the gateway operator through which Bank processes the International Entry, the terms of which Bank communicates to Company prior to Company's use of the Service or from time to time thereafter, and (c) the ACH

Rules. If there is a conflict among these three clauses, they will govern in the order set forth in this subsection.

15.2. Credit Entries. With respect to credit Entries Bank agrees to originate in the currency of a designated foreign government or intergovernmental organization ("Foreign Currency"), Bank will convert the amount to be transferred from U.S. dollars ("USD") to the Foreign Currency at Bank's sell rate for exchange in effect on the Business Day the Entry is transmitted by Bank to the ACH or gateway operator. If the financial institution designated to receive the funds does not pay the Receiver specified in the Entry, or if the Entry is subsequently determined to be erroneous, Bank will not be liable for a sum in excess of the amount of the original Entry after it has been converted from the Foreign Currency to USD at Bank's buy rate for exchange at the time the Entry is returned to Bank.

15.3. Debit Entries. With respect to debit Entries Bank agrees to originate in a Foreign Currency, Bank will convert the amount of each Entry from the Foreign Currency to U.S. Dollars at Bank's buy rate for exchange in effect on the settlement date of the Entry. If the financial institution designated to receive the Entry subsequently returns it, Bank may charge the applicable Account (or any other accounts Company owns in whole or in part at Bank or any affiliate of Bank) for the amount equal to the value of the returned Entry, after Bank has converted the Foreign Currency to USD at Bank's sell rate for exchange at the time the Entry is returned to Bank. Bank will not be liable for a sum in excess of the original amount of the Entry after conversion.

15.4. Acts or Omissions of Third Parties. Bank will not be liable for any failure or delay by a gateway operator, any intermediary financial institution, or the financial institution designated to receive the Entry in the Receiving Country in processing or failing to process any Entry Bank transmits to the Receiving Country, or for acts or omissions by a third party including without limitation the delay or failure of any third party to process, credit or debit any Entry.

16. Third-Party Sender Activities. This section contains additional terms applicable when Company is a Third-Party Sender, as defined by the ACH Rules.

16.1 General. Prior to originating any Entry on behalf of a customer of Company, Company will (a) notify Bank in writing of any other financial institution Company is using to originate transactions as a Third-Party Sender and thereafter notify Bank before Company adds any new financial institution for this purpose; (b) provide Bank with the information Bank requires to enable it to understand the nature of Company's customer's business including without limitation the name, Taxpayer Identification Number, business activity and geographic location of Company's customer; (c) if specifically required by Bank, obtain Bank's written approval to initiate or continue to initiate Entries for that customer, which approval Bank may rescind upon written notice to Company; and (d) enter into a written agreement with that customer whereby that customer agrees:

16.1.1. to assume the responsibilities of an originator under the ACH Rules and to be bound by the ACH Rules as in effect from time to time;

16.1.2. ACH entries may not be initiated in violation of the laws or regulations of the United States including without limitation the regulations issued by the Office of Foreign Assets Control;

16.1.3. to grant Bank ongoing access to audit it and any ACH entry that it has transmitted to Company for transmission to Bank; and

16.1.4. Bank may at any time refuse to process an ACH entry for that customer.

- 16.2. Representations and Warranties.** Company represents and warrants to Bank Company (a) has conducted due diligence with respect to each customer of Company for which Company is originating transactions through Bank and determined that each such customer is engaged in a legitimate business and that the type, size and frequency of transactions that each such customer is originating is normal and expected for the customer's type of business; and (b) will, in accordance with reasonable commercial standards, monitor each customer's business and transactions on an ongoing basis and notify Bank promptly if Company identifies any unusual activity by Company's customer.
- 17. Perfect NOC Service.** This section contains additional terms applicable to Bank's Perfect NOC Service. Bank maintains a database of Notifications of Change (each, a "NOC") that Bank receives and uses this database to update Company's Entries in accordance with the Service options Company selects from time to time. Bank will notify Company of each NOC Bank receives in connection with Company's Entries.
- 18. Smart Decision Service.** This section contains additional terms applicable to Bank's Smart Decision Service. Bank will process for credit to the Account specified by Company checks and other instruments payable to Company (each, an "Item") that Company delivers to Bank. Company will use the depository channels through which Bank offers the Service including electronic channels and other channels specified by Bank through which Bank accepts Items for processing. When Company uses electronic depository channels, Company transmits an "Electronic File" to Bank that includes electronic images of Items (each, an "Electronic Image") and other information regarding Items in the Electronic File. Each Business Day, Bank processes Company's Electronic File and other Items according to the processing criteria Bank has on file for Company, the issuer of an Electronic Image or Item, and Bank (each, respectively, a "Company Preference," an "Issuer Preference," or a "Bank Preference.") Based on these Preferences, Bank will (a) convert each eligible Electronic Image and Item to an ACH debit Entry on the deposit account on which it was drawn; (b) process remaining Electronic Images in accordance with Bank's separate Service Documentation governing the electronic depository channel Company used to deliver the Electronic Image to Bank; or (c) process remaining Items in accordance with Bank's Commercial Account Agreement. If a Company Preference or an Issuer Preference conflicts with a Bank Preference, Bank will follow the Bank Preference.
- 19. Warranties.**
- 19.1 General.** Company acknowledges Bank makes certain warranties under the ACH Rules with respect to each Entry. Company will reimburse Bank for any loss Bank incurs, including Bank's reasonable attorneys' fees and legal expenses, as the result of a breach of a warranty made by Bank in connection with any Entry Bank originates upon the instructions received from Company, except to the extent that the loss resulted from Bank's own gross negligence or intentional misconduct.
- 19.2 Smart Decision Service.** If Company subscribes to Bank's Smart Decision Service, Company warrants Company (a) will transmit to Bank only Electronic Images that are suitable for processing, including, but not limited to, Electronic Images that are legible and contain machine-readable MICR data; (b) will not deposit to the Account or otherwise negotiate any original Paper Item from which Company has previously created and submitted to Bank an Electronic Image, unless Bank has notified Company the Electronic Image is not legible or contains MICR data that is not machine readable; and (c) has received copies of the then-current ACH Rules and Reg E and will comply with both at all times Bank provides the Service.
- 20. Indemnification.** Company acknowledges Bank indemnifies certain persons under the ACH Rules. Company agrees to reimburse Bank for any loss Bank incurs, including its reasonable attorneys' fees and legal expenses, as the result of the enforcement of any such indemnity, except to the extent the loss resulted solely from Bank's own gross negligence or intentional misconduct. In addition, Company will indemnify Bank from and against all liabilities, losses, damages, claims, obligations, demands,

charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered by Bank arising directly or indirectly from or related to any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description.

21. **Termination.** In addition to the termination provisions contained in the Master Agreement, Bank may terminate the Services immediately upon notice to Company if Bank determines in its sole discretion: (a) the number of returned debit Entries originated under this Service Description is excessive; or (b) Company has breached a warranty provided under the ACH Rules or this Service Description or otherwise failed to comply with the ACH Rules.
22. **Survival.** Sections 4, 5, and 7-20 will survive termination of the Services.

ACCOUNT RECONCILIATION PLAN SERVICE SERVICE DESCRIPTION



1. **Introduction.** This Service Description is part of the Service Documentation governing the Wells Fargo Bank, N.A. ("Bank") Account Reconciliation Plan service ("Service"). "Service Documentation" is defined in Bank's Master Agreement for Treasury Management Services ("Master Agreement"). The Service Documentation includes the Acceptance of Services ("Acceptance"), and "Company" is the company identified in the Acceptance.
2. **Description of Services.** Bank's ARP Services enable Company to use Bank to (a) store information about Items Company issues on demand deposit accounts that Company enrolls in the Services (each, an "Account"); and (b) process the information in accordance with the Service option(s) that Company elects during the set up process for the Services and from time to time thereafter. Bank's User Guide for the Services details the Service options. "Item" is defined in Bank's Commercial Account Agreement.
3. **Issued Check Information.** If Company elects Bank's full ARP Service, each Business Day prior to the cutoff time Bank separately discloses, Company will provide Bank with the issue date, serial number and dollar amount of each Item Company issues on the Account ("Issued Check Information") using the communication channel(s) Company elects. If Company elects Bank's Deposit Location Reporting Service, Company will provide Bank with a list of Company's location numbers and names and may amend the list from time to time by notifying Bank in writing.
4. **Stop Payment Orders.** If Company uses the Service to place a stop payment order on any Item, Company understands that (a) Bank's Commercial Account Agreement governs the stop payment order; (b) each stop payment order is subject to Bank's verification that the Item described in the stop payment order has not been paid; and (c) this verification may occur a minimum of ninety (90) minutes after the time Company transmits the stop payment order to Bank.

COMMERCIAL ELECTRONIC OFFICE® (“CEO”®) SERVICE DESCRIPTION



1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. (“Bank”) *Commercial Electronic Office*® service (“Service”) and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services (“Master Agreement”);
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank’s *Commercial Electronic Office*® (*CEO*®) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company’s use of the Service confirms Company’s receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the *CEO*® portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Service.** The *CEO*® is Bank’s electronic banking portal that is accessed via the Internet. Authorized Representatives (see section 3) may use the *CEO*® to access (a) Bank Services in which Company has separately enrolled (each, an “Accessed Service”) and (b) third-party sites Bank may make available through the *CEO*®. Bank offers different channels through which Company may access the *CEO*® that may include without limitation personal computers and mobile devices. Bank may add or eliminate channels at any time. A Bank Service or third party site accessible through one channel may not be accessible through another channel. The Service Documentation includes the Service Description for each Accessed Service. In the event of a conflict between the Service Description for the Accessed Service and this Service Description, the Service Description for the Accessed Service will control.
3. **Access to the *CEO*®.** When Company enrolls in the *CEO*® and as Bank may determine is necessary after enrollment, Bank will (in accordance with section 4) provide one or more secure means of accessing the Services (each, a “Log-On Credential”) to the persons who are authorized to access the *CEO*® on Company’s behalf (each an, “Authorized Representative”). Log-On Credentials may include without limitation Company and user IDs, passwords, token IDs and other means of providing secure access to the *CEO*® Service that Bank adopts after the date Company begins using the *CEO*® and may be changed by Bank at any time. Bank will have no obligation to Company to authenticate separately any communication Bank receives in

Company's name through the CEO[®], whether or not an Authorized Representative actually issued the communication. Bank may, at Bank's sole option, contact Company with respect to any communication Bank receives in Company's name, but Bank's election to contact Company with respect to one or more communication will not obligate Bank to contact Company with respect to any subsequent communication Bank receives in Company's name.

4. Administration of the CEO[®].

4.1. General. Bank offers two options for administering the CEO[®]: (a) self-administration and (b) Bank administration.

4.2. Self-Administration. If Company enrolls in Bank's self-administration option, there are three categories of Authorized Representatives: Company Administrator, Administrator or User. Bank provides Bank's then-current Log-On Credentials only to Company's initial Company Administrator(s) who will (a) assign Bank's Log-On Credentials to other individuals and (b) designate each such individual as (i) a Company Administrator, who may perform all functions of Company's initial Company Administrator; (ii) an Administrator, who may perform all the functions of an Administrator including without limitation designating other Administrator(s) and User(s); or (iii) a User, who may access those Services as designated by a Company Administrator or an Administrator and those in which Bank permits a User to self-enroll. Each Company Administrator and Administrator has the authority to enroll Company in additional Services. Company will promptly revoke the Log-On Credentials of any Authorized Representative when that individual is no longer an Authorized Representative.

4.3. Bank Administration. If Company does not enroll in Bank's self-administration option, there is one category of Authorized Representatives: Users. Bank will assign Bank's then-current Log-On credentials to each User Company designates. Each User Company designates will remain authorized until Bank has a reasonable time to act after receiving Company's notification that the User is no longer so authorized.

5. Restricting or Terminating Access to the CEO[®]. Bank will not be obligated to permit any Authorized Representative to use any Service through the CEO[®] if Bank determines such use is (a) not in accordance with any term applicable to the CEO[®], (b) not permitted by any state or federal law or regulation, (c) not authorized by Company or any third person whose authorization Bank believes is necessary for such use, or (d) should be denied for Company's or Bank's protection (without Bank's agreeing to, or being required to, make this determination in any circumstance).

6. Financial Information. Financial market data, quotes, news, research, and other financial information developed by third parties and transmitted to Bank (collectively, "Financial Information") may be available to Company at the CEO[®]. The posting of any Financial Information or any other information or data at the CEO[®] will not be a recommendation by Bank of any particular Service or transaction. Bank does not guarantee the accuracy or completeness, (a) of any Financial Information, (b) is not responsible for the actions or omissions of the third parties developing or transmitting Financial Information or (c) for any decision made or action taken by Company in reliance on any Financial Information.

7. Cash Flow Analysis Service. This section contains additional terms applicable to Bank's Cash Flow Analysis Service. This Service enables Company to view and use certain data for global cash positioning and forecasting and journal entry. Bank will automatically populate data from

Company's deposit account(s) at Bank and other financial institutions Company directs to provide data to Bank. Company may also manually populate data. Bank will not verify the accuracy of data from other financial institutions, customer-populated data or forecasting information. Forecasting information is not a guarantee of actual performance. If Company uses this Service to convert balances to a currency other than the currency in which the Account is denominated, the conversion rate used through the Service may differ from the conversion rate actually used when the funds are converted on a given Business Day.

8. **Company's Representations and Warranties.** Company represents and warrants to Bank:
 - 8.1. Company's governing body has duly authorized each Authorized Representative, regardless of whether Company enrolls in Bank's self-administration option, Bank Administration or whether the individual is designated to act as Company Administrator, Administrator or User; and
 - 8.2. Company will preserve the confidentiality of the Log-On Credentials and immediately notify Bank if Company becomes aware or suspects that any Log-On Credential may have been compromised.
9. **Company's Agreement to Indemnify Bank.** Company will indemnify and hold Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents harmless from and against all losses, damages, claims, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered by any of them arising directly or indirectly from or related to any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description.
10. **Survival.** Sections 3, 4, 5, 6, 7, 8 and 9 will survive termination of the Service.

CHEXSTOR® SERVICE DESCRIPTION



1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") CheXstor service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office.® (CEO.®) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO.® portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Service.** The Service enables Company to have Bank maintain microfilm records of all Items paid on each deposit account of Company at Bank that Company enrolls in the Service (each an "Account"). Bank will maintain microfilm records for a period of seven years or any longer period required by applicable law ("Record Period"). Each Item Bank microfilms will be shredded and recycled. As part of the Service, Bank will provide a photocopy of any Item posted against the Account which Company requests during the Record Period. Company may request a photocopy electronically via Bank's *Commercial Electronic Office.®* or by contacting Bank at the telephone number on Company's account statement.
3. **Liability.** If Bank fails to provide in a timely manner a copy of an Item Company requests during the Record Period, Bank will reimburse Company for (and Bank's liability will be limited to) any direct monetary loss Company incurs as a result of the Item's unavailability (not to exceed the amount of the Item). Bank will require Company to substantiate any claimed loss.

IMAGE POSITIVE PAY SERVICE DESCRIPTION

1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") Image Positive Pay service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office[®] (CEO[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Service.** The Service enables Company to instruct Bank to pay or return counterfeit Checks, Checks otherwise not validly issued and certain altered Checks presented to Bank for payment on the deposit account(s) at Bank that Company enrolls in the Service (each, an "Account"). Each Business Day, Bank electronically compares the serial number and numeric amount of each Check presented to Bank for payment before Bank's separately-disclosed cutoff time on the prior Business Day to Company's Check Issue Data (see section 5). In accordance with section 7, Bank will notify Company of each Check that does not match Company's Check Issue Data (each, an "Exception Item") and will pay or return each Exception Item in accordance with this Service Description. "Check" refers to each check presented for payment on Company's Account, whether it is counterfeit, not validly issued, altered or validly issued by Company. A "Business Day" is every day except Saturdays, Sundays, and federal holidays. Except as otherwise provided in this Service Description, enrollment in Bank's Account Reconciliation Plan ("ARP") Service is required.
3. **Service Options.** Company may enroll an Account in one of three options of the Service. The Service options differ based on (a) when Bank electronically compares a Check to Company's Check Issue Data (before or after posting the Check to Company's Account); (b) Bank's handling of errors on Checks; (c) the content of Bank's report to Company of discrepancies between a Check and Company's Check Issue Data ("Exceptions Report"); and (d) the time by which Company must notify Bank of Company's pay or return decision ("Decision Deadline"), as specified in the Exceptions Report. Each discrepancy is an "Exception," and each Check with a discrepancy is an "Exception Item."

- 3.1. Perfect Presentment® Positive Pay.** Bank electronically compares a Check to Company's Check Issue Data prior to posting the Check to Company's Account. Each Check with error(s) that Bank can correct, such as an encoding error, will be corrected, so that the Exceptions Report includes only unresolved Exception Items. This option is offered only on an Account enrolled in Bank's Controlled Disbursement Service.
- 3.2. Positive Pay and Positive Pay Only.** Bank electronically compares a Check to Company's Check Issue Data after posting the Check to Company's Account. Bank then reviews each Exception Item, and reverses and reposts each Exception Item with error(s) that Bank can correct, such as encoding errors, so that the Exception Report includes only unresolved Exception Items. Enrollment in Bank's ARP Service is not required for Positive Pay Only.
- 3.3. Basic Positive Pay.** Bank electronically compares a Check to Company's Check Issue Data after posting the Check to Company's Account and provides Company with an Exceptions Report containing all Exception Items including Checks with encoding errors.
- 4. Payee Validation.** In addition to performing the electronic comparison described in section 2, Bank electronically compares the payee's name on each Check exceeding the dollar threshold determined by Bank to the payee's name in Company's Check Issue Data. If there is a discrepancy between the two names that is not within parameters Bank establishes, Bank will (a) include the Check as an Exception Item in Company's Exceptions Report (and the discrepancy will constitute an Exception), or (b) manually review the Check. Bank will not perform Payee Validation with respect to a Check if (i) Company fails to include the payee's name on the Check in Company's Check Issue Data; (ii) Bank does not receive Company's Check Issue Data for the Check before the cutoff time Bank separately discloses; or (iii) Company requests Bank add the payee's name manually to Check Issue Data Company has previously provided to Bank. Bank will reimburse Company for the face amount of any Check Bank pays if the Company incurs a loss as a result of an unauthorized alteration of the payee's name on the Check, except if the Check with the unauthorized alteration is hand-written or if Bank fails to identify an alteration or other exception in the payee's name because Company has (x) truncated the payee's name in Company's Check Issue Data, or (y) elected to use customized zone formatting (as detailed in Bank's Customer Guidelines for the Service).
- 5. Check Issue Data.** The "Check Issue Data" for any Check is the Check's complete serial number and numeric amount, and if Company has selected Payee Validation, the payee's name (or truncated name). As detailed in Bank's User Guide for the Service, a "truncated name" is the portion of a payee's name Company includes in its Check Issue Data based on the option it has elected from the options for truncation Bank offers. Each Business day not later than the cutoff time Bank separately discloses, Company will provide the Check Issue Data for all Checks issued through that Business Day to Bank in the format, through the medium, and at the place(s) Bank specifies. In performing the Service, Bank will use only the Check Issue Data Company provides to Bank. Bank will not electronically or manually compare a Check with an issue date after the current Business Day against the Checks presented for payment on the Account until the issue date contained on Company's future-dated Check register matches the current Business Day's calendar date. Bank will not accept Check Issue Data containing an issue date more than forty-five (45) calendar days in the future.
- 6. Payment of Matching Checks.** If a Check presented to Bank matches the Check Issue Data Company has provided to Bank (a "Matching Check"), Bank will make final payment on the Check and charge the Check to Company's Account (subject to section 13).

7. Notification of Exception Item; Image of Exception Item.

- 7.1. Electronic Comparison.** When Bank identifies an Exception Item through its electronic comparison process, Bank notifies Company of the Exception Item through the Exceptions Report Bank makes available to Company via Bank's *Commercial Electronic Office*®. (*CEO*®) portal.
- 7.2. Manual Review.** When Bank manually reviews a Check in accordance with section 4 and identifies a payee name discrepancy, Bank will use its best efforts but in no event make more than one attempt to notify Company of the discrepancy by telephoning Company at the number Bank has on file for Company.
- 7.3. Holdover Exception Items.** This subsection applies when Company has enrolled its Controlled Disbursement Account in Bank's Perfect Presentment Positive Pay Service. A "Holdover Exception Item" is an Exception Item Bank identifies after Bank prepares and transmits the Exceptions Report to Company. Bank will use its best efforts but in no event make more than one attempt to notify Company of each Holdover Exception Item by telephoning Company at the number Bank has on file for Company.
- 7.4. Image of Exception Item.** Bank will use reasonable efforts to provide an image of any Exception Item (including a Holdover Exception Item) to Company, but Bank will have no liability if Bank is unable to do so prior to Company's Decision Deadline.

- 8. Default Options.** A "Default Option" is the action Bank takes with respect to each Exception Listed in the Exceptions Report (see subsection 7.1) if Company does not instruct Bank to pay or return it before the Decision Deadline applicable to it (see subsection 9.3). Bank offers two Default Options: (a) "Return", under which Bank returns the Exception Item to the bank of first deposit marked "refer to maker" even if Company validly issued the Exception Item (and does not charge it to Company's Account); or (b) "Pay", under which Bank charges the Exception Item to Company's Account (even if it is counterfeit, altered or not validly issued).

9. Company's Instructions to Bank; Failure to Instruct By Decision Deadline.

- 9.1. Company's Pay or Return Decision.** Company will make its pay or return decision based on the information about the serial number and amount of the Exception Item in the Exceptions Report, and if Company has elected Payee Validation, on any payee information Bank provides to Company.
- 9.2. Instructions Prior to Decision Deadline.** If, prior to Company's Decision Deadline, Company instructs Bank to pay or return an Exception Item, Bank will follow Company's instructions (subject to section 13). For each Exception Item, Company will use the same communications channel to instruct Bank that Bank used to notify Company of the Exception Item. If Bank included the Exception Item on the Exception Report Bank makes available to Company via the *CEO* portal, Company will use the *CEO* portal to communicate its instruction regarding the Exception Item to Bank. If Bank attempted to contact Company by telephone, Company will telephone Bank to communicate its instruction.
- 9.3. No Instructions Prior to Decision Deadline.** If Company does not instruct Bank prior to Company's Decision Deadline with respect to an Exception Item described in subsection 7.1, Bank will process the Check in accordance with Company's Default Option. If Bank is unable to obtain Company's instructions prior to the Decision Deadline regarding an Exception Item described in subsection 7.2, Bank will return the

Exception Item unpaid (regardless of Company's Default Option). If Bank is unable to obtain Company's instructions prior to the Decision Deadline regarding a Holdover Exception Item described in subsection 7.3, Bank will process the Holdover Exception Item in accordance with Company's Default Option.

10. **Teller Line Checks.** A Check presented for encashment at Bank's teller line is a "teller line Check". A teller line Check that is not included in Company's Check Issue Data on file with Bank at the time it is presented for encashment is a "teller line Exception Item". Bank will take those steps to review and cash or refuse to cash a teller line Exception Item as Bank in its sole discretion determines are commercially reasonable. Company may instruct Bank to exclude all teller line Checks from this process, in which event each teller line Check will be deemed to be a Matching Check, even if it is not included in Company's Check Issue Data on file with Bank at the time it is presented for encashment.
11. **Limitation of Liability and Indemnification.** Bank will pay each Check Company has authorized Bank to pay in accordance with this Service Description (including each Matching Check) and each Check Company is deemed to have authorized Bank to pay (including each Check Bank pays in accordance with Company's Default Option) without performing any Check verification procedure other than those procedures described in this Service Description. Bank will have no liability for paying a Matching Check or an Exception Item Company is deemed to have approved if (a) there is an alteration in its serial number or amount; (b) it is counterfeit, bears a forged or unauthorized signature; or (c) it was otherwise not validly issued. Each Check that Bank pays in accordance with this Service Description will be deemed to be properly payable, and each Check that Bank returns in accordance with this Service Description will be deemed not to be properly payable. Without limiting the indemnification provisions contained in the other Service Documentation, Company (i) indemnifies and holds Bank harmless from any and all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) that Bank may suffer or incur as a result of Bank's payment or return of a Check at Company's instruction or otherwise in accordance with sections 9 or 10 of this Service Description, and (ii) releases and forever discharges Bank from all claims and damages, whether known or unknown, liquidated or unliquidated, contingent, direct or indirect, which Company has, or claims to have against Bank relating to the payment or return of any Check in accordance with this Service Description.
12. **Stop Payment; Cancel and Void Instructions; Stale-Dated Checks.** Company will not use the Service as a substitute for Bank's stop payment service. Company will follow Bank's standard stop payment procedures if it desires to stop payment on a Check that was validly issued. Company will use (a) a cancel instruction only to delete an outstanding Check included in its Check Issue Data and (b) a void instruction only to notify Bank that a Check included in Company's Check Issue Data has been destroyed and will not be re-issued. If Company elects to use Bank's "stale-dated" feature, Bank will return each Matching Check that is stale-dated unless Company instructs Bank to pay the Check. A Check is "stale-dated" when it is a Matching Check with an issue date exceeding the number of months Company elects as its stale date.
13. **Bank's Right to Return Checks.** Nothing in this Service Description will limit Bank's right to return any Check that Company has authorized Bank to pay in accordance with this Service Description if Bank determines (a) the Check is not properly payable for any reason (without Bank's agreeing to, or being required to, make such determination in any circumstance), or (b) there are insufficient collected and available funds in the Account to pay the Check. As between Company and Bank, any determination by Bank not to pay a Check will not constitute wrongful dishonor of such Check.

14. Survival. Sections 4, 5, 7, 9, 10, 11 and 13 will survive termination of the Service.

INFORMATION REPORTING and IMAGE DELIVERY SERVICE DESCRIPTION



1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") information reporting and image delivery ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Service or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices.

This Service Description and the Master Agreement are posted at Bank's *Commercial Electronic Office*[®] (*CEO*[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on Bank's *CEO*[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Services.** Through the Services, Bank makes available to Company data regarding transactions on and/or images of Items posted to (or other instruments processed through) deposit account(s) at Bank that Company enrolls in the Service (each, "Account"). The data and images are referred to collectively in this Service Description as "information". The means used to make information available to Company include without limitation BAI File Transfer, Bank's *CEO*[®] portal, physical media (CD-ROM and DVD), transmission, and Machine-to-Machine (M2M). Depending on the Service Company elects, the information may include images of Items or other instruments (a) posted to or processed through the Account; (b) cashed or collected by Bank or accepted for deposit to the Account; and (c) returned unpaid to the Account. "Item" is defined in Bank's Commercial Account Agreement. Images of posted Items that have been converted pursuant to the National Automated Clearing House Association Rules may not be available through the Service. Bank also offers an optional service through which Company can place stop payment orders.
3. **Software Sublicense.** If a software license or sublicense is required for Company to access the Service ("Software Sublicense"), Bank will make the terms of the Software Sublicense available to Company as part of the set up process for the Service. Company will be required to accept the Software Sublicense before being allowed to access the Service. Bank may terminate any Service requiring use of a Software Sublicense immediately on written notice to Company, if Company fails to comply with the Software Sublicense. Company's obligations under this section 3 will survive the termination of Service.

4. **Stop Payment Orders.** If Company elects a Service through which Company is able to place stop payment orders, Company's rights and Bank's obligations with respect to any stop payment order will be determined in accordance with Bank's Commercial Account Agreement.
5. **Survivorship.** Sections 3 and 4 will survive the termination of the Service.



WELLS FARGO REMOTE DEPOSIT CAPTURE SERVICE DESCRIPTION

(Wells Fargo Electronic Depositsm and Desktop Deposit[®])

1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") remote deposit capture services (collectively, "Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Service or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service;
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices.; and
 - (f) the then-current Electronic Check Clearing House Organization Operating Rules and Commentary ("ECCHO Operating Rules").

This Service Description and the Master Agreement are posted at Bank's *Commercial Electronic Office*[®]. (*CEO*[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the *CEO*[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Service.** The Service enables Company to create Electronic Items from eligible paper items and transmit the Electronic Items in an electronic file ("Electronic File") to Bank for review and processing for credit to Company's deposit account at Bank ("Account") in accordance with this Service Documentation. An "Electronic Item" is the electronic image of the front and back of each eligible U.S. Dollar paper item and other information captured from the paper item including without limitation MICR data (and will be deemed to be an "item" for purposes of the Uniform Commercial Code). Bank's Reference Guide for the Service lists eligible U.S. Dollar items (and ineligible items). For each Electronic Item Bank determines is eligible for processing, Bank will:
 - 2.1. create a substitute check as defined in the Account Agreement that Bank will present directly or indirectly to the bank (a) on which the original paper item to which the Electronic Item relates is drawn, or (b) at or through which the original paper item is payable (each, the "Paying Bank");
 - 2.2. include the Electronic Item in an electronic file for presentment directly or indirectly to the Paying Bank; or

- 2.3. post any Electronic Item for which Bank is the Paying Bank.
3. **Creating Electronic Items and Transmitting Company's Electronic File to Bank.** To create Electronic Items and transmit Company's Electronic File to Bank, Company will use either (a) Bank provided software and Bank provided, certified or approved hardware, or (b) Company's software and hardware or third-party provided software and hardware, provided each generates Electronic Items and Electronic Files that meet Bank's then current standards and specifications. Any third-party processor Company uses to prepare and/or transmit Company's Electronic File is Company's agent, and Company will be responsible for ensuring its agent complies with Company's responsibilities under this Service Description. In particular, each Electronic File Company's agent transmits to Bank will include only Electronic Items payable or endorsed to Company, unless Bank expressly agrees to permit Company's agent to include Electronic Items payable to multiple customers of Bank.
 4. **Processing Company's Electronic File.** Bank will review each Electronic Item and process the Electronic Items Bank determines are eligible for processing on the Business Day Company transmits Company's Electronic File to Bank, if Bank receives Company's Electronic File before the processing deadline Bank separately discloses to Company ("Cut-Off Time") on that Business Day and on the next Business Day if Company transmits Company's Electronic File to Bank after Bank's Cut-Off Time. "Business Day" is every day except Saturday, Sunday and any federal holiday.
 5. **Exception Items.** Each Business Day on which Bank processes Company's Electronic File, Bank may, without liability to Company, reject Electronic Items Bank determines are ineligible for the Service (each, an "Exception Item"). "Exception Item" includes without limitation an Electronic Item that (a) is illegible or contains MICR data that is not machine-readable, (b) was previously processed as an Electronic Item, (c) is drawn on a bank located outside the United States and is not payable at or through a bank located within the United States, or (d) any Electronic Item other than one described in (a), (b), or (c) of this section 5 that applicable law prohibits Bank from accepting through a remote deposit capture platform. Bank will notify Company of each Exception Item through Bank's *Commercial Electronic Office*® service or other communication channel at Bank's discretion. Company will deposit an Exception Item to Company's Account only by depositing the original Paper Item to which the Exception Item relates or as otherwise agreed by Bank and Company. Even if Bank does not identify an Exception Item when Bank processes the Electronic File that includes the Exception Item, the substitute check or purported substitute check Bank creates from the Electronic Item may be returned to Bank because, among other reasons, the Paying Bank determines it is illegible or missing an image. Bank's failure to identify an Exception Item will not limit Company's obligations to Bank under section 9.
 6. **Deposits to Company's Account.** Bank will be deemed to have accepted each Electronic Item for deposit to Company's Account (other than any Exception Item) (a) on the Business Day Bank processes the Electronic Item (b) at the Bank office where Company's Account is maintained. Funds from these Electronic Items will be made available in accordance with Bank's Funds Availability Policy applicable to Company's Account and will be deemed to be collected in accordance with Bank's Electronic Deposit Collected Funds Schedule which Bank will provide to Company upon request and may amend from time to time.

7. Third-Party Processors.

- 7.1. General.** This section contains additional terms applicable when Company is a third-party processor. Company is a “third-party processor” when it uses the Service either to (a) create and process an Electronic Item on behalf of a customer or (b) process an Electronic Item one of its customers has created and transmitted to Company.
- 7.2. Prerequisites for Acting as a Third-Party Processor.** Prior to acting as a third-party processor with respect to any customer, Company will conduct due diligence appropriate to the type of Customer (consumer or business). As part of Company’s due diligence, at time a customer initially opens an account with Company, Company will obtain the customer’s name, Taxpayer Identification Number, and address. In addition, Company will fulfill obligations under applicable law with respect to (a) establishing and maintaining a Customer Identification Program and an Anti-Money Laundering Program and (b) suspicious activity monitoring and reporting. Company will also enter into an agreement with each of its customers which includes (i) provisions paralleling those in this Service Description relating to creating Electronic Items and maintaining the security of original Paper Items; (ii) warranties paralleling each of the warranties Company makes to Bank in this Service Description; (iii) an acknowledgement that Bank may at any time refuse to process Electronic Items for that customer; and (iv) if the customer is a business entity, an obligation that customer, upon request by Company, provide Company the information Company requires to enable Company to understand the nature of the customer’s business.
- 7.3 Risk Parameters; Ongoing Monitoring.** For each customer for which Company acts as a third-party processor, Company will, in accordance with reasonable commercial standards, monitor the customer’s deposits for suspicious activity including out-of-pattern, duplicate and suspicious Electronic Items on an ongoing basis and take appropriate actions with respect to the customer’s account with Company, up to and including refusing to process Electronic Items for the Customer and/or preventing the Customer from transacting on its account(s) with Company. Bank will establish and maintain confidential internal risk parameters for Company’s Electronic File but Company is solely responsible for monitoring its customer’s Electronic Items.

8. Company’s Representations and Warranties. Company represents and warrants to Bank Company will:

- 8.1.** use the Service only for eligible paper items payable to or endorsed for deposit by Company (unless Bank expressly agrees otherwise);
- 8.2.** transmit to Bank only Electronic Items suitable for processing including without limitation legible Electronic Items containing machine-readable MICR data;
- 8.3.** not transmit to Bank any Electronic Item that duplicates an Electronic Item previously transmitted to Bank or that did not originate as an eligible paper item;
- 8.4.** maintain control over and sole responsibility for secure retention and destruction of each original eligible paper item for which Company or one of Company’s customers has created an Electronic Item (including the security and integrity of nonpublic personal information appearing on the original paper item throughout the transmission flow and

while in storage) and properly secure all hardware Company uses in connection with the Service at all times;

- 8.5. not transmit to Bank, deposit to Company's Account, or otherwise negotiate any original eligible paper item with respect to which Company has transmitted an Electronic Item to Bank, unless Bank has notified Company that the Electronic Item is an Exception Item;
 - 8.6. if Company uses an agent to create Electronic Items and/or transmit Company's Electronic File to Bank, Company will ensure its agent includes only Electronic Items payable to Company in an Electronic File, unless Bank expressly agrees to permit the agent to include Electronic Items payable to multiple customers of Bank; and
 - 8.7. if Company is a third-party processor as set forth in section 7 of this Service Description, comply with section 7 of this Service Description.
9. **Company's Agreement to Indemnify Bank.** Company will indemnify, defend, and save harmless Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents (collectively in this section 9, "Indemnitees") from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) awarded against or incurred or suffered (collectively, "Losses and Liabilities") by Indemnitees arising directly or indirectly from or related to:
- 9.1. Any negligent or intentional act or omission by Company in the performance of its obligations under this Service Description including without limitation failing to maintain control over and sole responsibility for secure retention and destruction of each original paper item for which Company has created an Electronic Item (including the security and integrity of nonpublic personal information appearing on the original paper item throughout the transmission flow and while in storage), in which event Losses and Liabilities will include without limitation consequential damages;
 - 9.2. Any material breach in a representation, warranty, covenant, or obligation of Company contained in this Service Description;
 - 9.3. Bank acting as a "reconverting bank" under the Check Clearing for the 21st Century Act through the creation of "substitute checks" or purported substitute checks using an Electronic Item, an Exception Item or an Electronic File, in which event Losses and Liabilities will include without limitation consequential damages; and
 - 9.4. Bank presenting an Electronic Item to the Paying Bank for payment.
10. **Termination.** In addition to its rights to discontinue providing Services under the Master Agreement, Bank may discontinue providing the Service to Company immediately upon notice if Bank determines in its sole discretion that Company has breached any of Company's obligations under sections 8 or 9 of this Service Description.
11. **Additional Controls on Company.**
- 11.1. **General.** In FIL-4-2009, Risk Management of Remote Deposit Capture ("RDC") Guidelines, the FFIEC sets forth guidelines for agreements between a financial institution and its RDC customers. In accordance with these guidelines, Bank has the authority upon reasonable prior notice to Company to (a) mandate specific internal

controls at Company's locations, (b) periodically audit or require audits of Company's RDC operations including Company's IT infrastructure at Company's expense, and (c) request additional information about Company.

11.2. Company's Internal Controls. Company will establish internal controls related to Company's RDC operations. Upon reasonable request, Company will provide Bank with information about its internal controls and will work in good faith with Bank to resolve any concerns that Bank identifies with respect to such internal controls;

11.3. Company's Consumer Complaints. Bank may upon reasonable prior notice to Company request information about (a) Company's procedures for handling consumer complaints relating to Company's RDC product ("consumer complaints"), (b) the number of consumer complaints Company received in the prior calendar quarter, and (c) the then current status of each consumer complaint.

12. Survival. Sections 8 and 9 of this Service Description will survive termination of the Service.

RETURNED ITEM DECISIONING SERVICE DESCRIPTION



1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") Returned Item Decisioning service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office® (CEO®) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO® portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **The Service.** Using the *Commercial Electronic Office®* (CEO®) portal, Bank will notify Company of returned items to its account(s) during the period specified by Bank on each Banking Day. Returned items will be listed by the default disposition (redeposit or chargeback) selected by Company. Company will review items and accept or change each item's disposition prior to the daily deadline specified by Bank. Returned items not accepted or changed by this deadline will be processed according to their default disposition.
3. **Requirement for Service.** Company shall have met requirements for receiving services offered through the CEO® portal, including the execution of any necessary documentation.

RETURNED ITEM SERVICE DESCRIPTION

1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") Returned Item service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office[®] (CEO[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Bank's Returned Items Services.** Bank's Returned Item Services enable Company to have Bank (a) act as Company's returned Item processor with respect to Items payable to Company that are presented to Bank or another financial institution for payment and returned to Bank unpaid (each, a "Returned Item") in accordance with Company's Special Instructions to Bank for Returned Items ("Special Instructions") and (b) originate debits and report and process credits received for Company's returned check fee ("Returned Item Service Fee Recovery"). Company will communicate its Special Instructions regarding Company's Returned Items to Bank, and Bank will communicate to Company regarding the Services, using the media, format and communication channel(s) to which Company and Bank agree, separately.
3. **Conditions to Provision of Bank's Service.** As conditions to Bank's provision of the Services, Company will at all times (a) maintain Company's demand deposit account(s) at Bank (each, an "Account") in good standing; (b) subscribe to Bank's *Commercial Electronic Office*[®] ("CEO[®]") Service; and (c) comply with all Rules Applicable to Bank's Returned Item Services as set forth in this Service Description.
4. **Rules Applicable to Bank's Returned Item Services.** Bank will provide its Services to Company in accordance with:

- 4.1. the Service Documentation including without limitation the User Guide that Bank makes available to Company at www.wellsfargo.com; and
- 4.2. State and federal laws and regulations and clearinghouse rules applicable to a Returned Item which may include Federal Reserve Board Regulation CC Subpart C relating to the collection of checks ("Reg CC"), Federal Reserve Board Regulation E ("Reg E") and, in the case of Bank's Returned Item Service Fee Recovery Service when Bank originates an ACH entry on Company's behalf, the National Automated Clearinghouse Association Operating Rules, as supplemented by any applicable operating rules of any automated clearing house of which Bank is a member (together, the "NACHA Rules"), all as amended from time to time.
5. **Special Instructions.** Bank will process Company's Returned Items in accordance with Company's Special Instructions, unless Bank determines in Bank's sole discretion that doing so with respect to a Returned Item would prevent Bank from effectively providing Bank's Service to Company.
6. **Bank's Right to Chargeback Returned Items.** Bank may chargeback a Returned Item to any account Company owns in whole or in part at Bank or any affiliate of Bank without regard to whether the Returned Item was initially deposited to the account or to an account at another financial institution.
7. **Returned Item Service Fee Recovery.** Bank determines the state whose laws establish the maximum returned check fee that Company may assess a customer who issues a Returned Item to Company based on information about Company's retail locations Company provides to Bank when Company enrolls in the Service and subsequently after Bank receives notice from Company regarding a location change in Company's retail locations. If Company fails to provide information to Bank regarding a location change in a timely fashion, Bank will assess the lowest maximum fee permitted in the states for which Company has provided location information.
8. **ACH Entries.**
 - 8.1. **Payment Obligations; Settlement; Returned Debit Entries.** In the case of Services for which Bank originates ACH debit entries on Company's behalf, each credit to Company's Account will be made on the applicable settlement date. Bank may charge Company's Account for any debit, correcting or reversing entry which is later returned to Bank. Company authorizes Bank upon prior oral or written notice to Company to place a hold on an equal amount of funds in Company's Account or to take any other action Bank deems appropriate to ensure Bank receives payment for any debit, correcting or reversing entry which is later returned to Bank.
 - 8.2. **Reimbursement.** Company will reimburse Bank for any loss or expense Bank incurs, including reasonable attorney's fees and legal expenses, as the result of (a) a breach of any warranty Bank makes under the NACHA Rules in connection with providing the Services to Company, (b) a breach of any representation or warranty that Company makes in this Service Description, or (c) an action Company asks Bank to take in connection with Bank's providing the Services to

Company. Company authorizes Bank to recover any such amount by debit to any account Company owns in whole or in part at Bank or any affiliate of Bank.

9. **Company's Representations and Warranties.** Company represents and warrants to Bank that:
 - 9.1. The information about Company's retail locations that Company provides to Bank in accordance with section 7 is accurate.
 - 9.2. Company has received and will maintain current copies of the Rules Applicable to Services including without limitation Reg CC, Reg E and the NACHA Rules and is in compliance therewith.
10. **Company's Agreement to Indemnify Bank.** Company will indemnify, defend, and save harmless Bank, its parent company, and its affiliates and each of their respective directors, officers, employees, and agents (collectively in this section 10, "Indemnified Persons") from and against all liabilities, losses, damages, claims, obligations, demands, charges, costs, or expenses (including reasonable fees and disbursements of legal counsel and accountants) (collectively, "Losses and Liabilities") awarded against or incurred or suffered by Indemnified Persons arising directly or indirectly from or related to:
 - 10.1. Any negligent or intentional act or omission by Company in the performance of its obligations under the Service Documentation including without limitation Company's obligation to provide Bank with information about Company's locations.
 - 10.2. Any material breach in a representation, warranty, covenant, or obligation of Company contained in the Service Documentation;
 - 10.3. The violation of any applicable law, statute, or regulation or of the Rules Applicable to Bank's Returned Items Services including without limitation Reg CC, Reg E and the NACHA Rules in the performance of Company's obligations under the Service Documentation; and
 - 10.4. A breach of any warranty Bank makes under the NACHA Rules in connection with Bank's Services under this Service Description, any failure by Bank to assess the correct Returned Item Service fee based and any delay in the return of any Returned Item.
11. **Bank's Assessment of Services.** Company agrees Bank may at any time or times modify this Service Description upon notice to Company, and the Service Description as modified will supersede this Addendum and be binding upon Company.
12. **Survival.** Sections 6, 7, 8, 9, and 10 of this Service Description will survive termination of the Service.

SMART DECISION® SERVICE DESCRIPTION



1. **Introduction.** This Service Description and the other Service Documentation as defined in the Master Agreement for Treasury Management Services between Wells Fargo Bank, N.A. ("Bank"), and the Company identified in the signature block of the Acceptance of Services ("Company") between Company and Bank govern Bank's Smart Decision Service ("Service").
 2. **Description of Service.** Bank will process for credit to each account at Bank that Company enrolls in the Service ("Account") checks or other instruments payable to Company (each, an "Item") that Company delivers to Bank via the depository channels through which Bank offers the Service. These depository channels include (a) electronic channels through which Company transmits electronic files of electronic images of Items (each, an "Electronic Image") and other information (collectively, the "Electronic File") and (b) other channels through which Bank accepts Items for processing. Bank will convert each eligible Electronic Image and each eligible Item to an automated clearing house ("ACH") debit entry (each, an "Entry") on the deposit account on which it was drawn or otherwise process the Electronic Image in accordance with the separate Service Documentation governing the electronic depository channel Company uses to deliver the Electronic Image to Bank or process the original Item in accordance with Bank's Commercial Account Agreement.
 3. **Rules Applicable to the Service.** Bank will provide the Service to Company in accordance with
 - 3.1. This Service Description;
 - 3.2. the Service Documentation; and
 - 3.3. the National Automated Clearinghouse Association Operating Rules, as supplemented by any applicable operating rules of any automated clearing house of which Bank is a member and Federal Reserve Board Regulation E ("Regulation E") (together, the "ACH Rules"). If Bank processes an Item as an Entry, Bank is the originating depository financial institution ("ODFI"), Company is the "Originator," and the person issuing the Paper Item is the "Receiver," as these terms are defined in the ACH Rules.
- In the event of a conflict between this Service Description and the other Service Documentation, this Service Description will control.
4. **Conditions to Provision of the Service.** As conditions to Bank's provision of the Service, Company will at all times (a) subscribe to Bank's *Commercial Electronic Office*® ("CEO®") Service, (b) maintain each Account in good standing, and (c) comply with the Rules Applicable to the Service.
 5. **Preferences.** A Preference is a criterion Bank uses to determine the means Bank will use to process an Item. Each Business Day, Bank will process Company's Electronic File and Items in accordance with Company Preferences and Preferences from the issuer of an Item (each, an "Issuer Preference") that Bank has on file as of Bank's Cut-Off Time on the prior Business Day. If a Company Preference or an Issuer Preference conflicts with a Bank Preference with respect to an Electronic Image or an Item, Bank will process the Electronic Image or Item in accordance with the Bank Preference.
 6. **Payment Obligations; Provisional Credit, Settlement; Returned Debit Entries.** When Bank processes an Electronic Image or an Item as an Entry, Bank will credit Company's Account for the Entry on the applicable settlement date. A credit to Company's Account for an Entry is provisional until Bank receives final settlement for the Entry. If Bank does not receive final settlement for the Entry, Bank may debit Company's Account or any other accounts Company owns in whole or in part

at Bank or any affiliate of Bank for the amount of the Entry. When Bank process an Electronic Image in accordance with the applicable Service Documentation, Bank will credit Company's Account for the Electronic Image and process any chargeback related to the Electronic Image in accordance with that Service Documentation. When Bank processes the original Item in accordance with Bank's Commercial Account Agreement, Bank will credit Company's Account for the Item and process any chargeback related to it in accordance with the Account Agreement. Company will pay Bank for any shortfall remaining after such debit or chargeback immediately upon demand.

7. **Bank's Internal Risk Parameters.** Bank establishes internal risk parameters to identify out-of-pattern or suspect transactions and protect Company and Bank from potential losses. These parameters may include without limitation limits on Company's debit and credit settlements on a single Business Day and/or over multiple consecutive Business Days. Bank reserves the right to pend or delete an Entry or file exceeding the applicable parameters as Bank would if Bank had reason to believe the Entry or file had not been duly authorized or should not be honored for Company's or Bank's protection.
8. **Third-Party Sender Activities.** If Company is a Third-Party Sender, as defined by the ACH Rules, this Section will apply to Company's use of Bank's Services.
 - 8.1. Prior to originating any Entry on behalf of a customer of Company ("Customer"), Company will (a) notify Bank in writing of any other financial institution Company is using to originate transactions as a Third-Party Sender and thereafter notify Bank before Company adds any new financial institution for this purpose; (b) provide Bank with the information Bank requires to enable it to understand the nature of the business of that Customer including without limitation the name, TIN, business activity and geographic location of that Customer; (c) if specifically required by Bank, obtain Bank's written approval to initiate or continue to initiate Entries for that Customer, which approval Bank may rescind upon written notice to Company; and (d) enter into a written agreement with that Customer in which that Customer agrees:
 - 8.1.1. to assume the responsibilities of an originator under the ACH Rules and to be bound by the ACH Rules as in effect from time to time;
 - 8.1.2. Entries may not be initiated in violation of the laws or regulations of the United States including without limitation the regulations issued by the Office of Foreign Assets Control;
 - 8.1.3. to grant Bank ongoing access to audit it and any ACH file that it has transmitted to Company for transmission to Bank; and
 - 8.1.4. Bank may at any time refuse to process an Entry for that customer.
 - 8.2. Company represents and warrants to Bank that Company (a) has conducted due diligence with respect to each Customer for which Company is originating transactions through Bank and determined that each Customer is engaged in a legitimate business and that the type, size and frequency of transactions that each such Customer is originating is normal and expected for the Customer's type of business; and (b) will, in accordance with reasonable commercial standards, monitor each Customer's business and transactions on an ongoing basis and notify Bank immediately if Company identifies any unusual activity.
9. **Company's Representations and Warranties.** Company represents and warrants to Bank that:
 - 9.1. Company will transmit to Bank only Electronic Images that are suitable for processing, including, but not limited to, Electronic Images that are legible and contain machine-readable MICR data.

WELLS FARGO STAGECOACH SWEEP[®] SERVICE DESCRIPTION



1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") Stagecoach Sweep service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office[®] (CEO[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Service.** The Service enables Company to link each domestic demand deposit account Company enrolls in the Service ("Account") to (a) one of the non FDIC insured options described in Section 4 (each, an "Investment Sweep Option") or (b) Company's FDIC insured Money Market Savings Account ("Savings Account") as described in section 6. Company may also link Company's Account to Company's line of credit with Bank ("Credit Sweep Option"), as described in section 7. At the end of each Business Day, funds are transferred automatically or "swept" from the Account in accordance with Company's designation(s) in the Acceptance. The amount swept ("Transferable Balance") is the Collected Balance in the Account less the Target Collected Balance. The "Collected Balance" is the amount available for immediate withdrawal from the Account. The "Target Collected Balance" is the amount that Bank and Company have agreed will be maintained in the Account. A "Business Day" is every day except Saturdays, Sundays, federal holidays and days when the New York Stock Exchange is closed. Company may access its funds only through the Account(s) it has enrolled in the Service. Circumstances in which the entire Transferable Balance may not be invested are described in section 5. Important disclosures pertaining to the Investment Sweep Options are set forth in sections 8 through 13.
3. **Authorization.** Company appoints Bank as its agent to act with respect to the Service and the Investment Sweep Option Company has elected in the Acceptance.
4. **Investment Sweep Options.** Bank offers the following Investment Sweep Options, each of which is subject to section 5:

- 4.1. Wells Fargo Stagecoach Sweep Preferred Option.** The Transferable Balance that is (a) equal to or greater than \$100,000 will be swept to Bank's designated account at Bank's Cayman Islands Branch ("Offshore Account"), or (b) less than \$100,000 will remain in the Account and not earn interest. At the beginning of the next Business Day the entire amount held in Company's Investment Sweep Option, less any earnings, will be swept back to the Account.
- 4.2. Wells Fargo Stagecoach Sweep Preferred Option with secondary Wells Fargo Stagecoach Sweep Repurchase Agreement Option.** If the Transferable Balance is (a) equal to or greater than \$100,000, the entire amount will be swept to the Offshore Account, or (b) less than \$100,000, the entire amount will be swept to the *Wells Fargo Stagecoach Sweep*, Repurchase Agreement ("Repurchase Agreement") Option. Any portion of the Transferable Balance not swept to a Repurchase Agreement will remain in the Account and not earn interest. At the beginning of the next Business Day the entire amount held in Company's Investment Sweep Option, less any earnings, will be swept back to the Account.
- 4.3. Wells Fargo Stagecoach Sweep Repurchase Agreement Option with secondary Wells Fargo Stagecoach Sweep Preferred Option.** The Transferable Balance will be swept to the *Wells Fargo Stagecoach Sweep* Repurchase Agreement ("Repurchase Agreement") Option. Any portion of the Transferable Balance which is not swept to a Repurchase Agreement will be swept to the Offshore Account, provided such portion is equal to or greater than \$100,000; otherwise such portion will remain in the Account and not earn interest. At the beginning of the next Business Day the entire amount held in Company's Investment Sweep Option, less any earnings, will be swept back to the Account.
- 4.4. Wells Fargo Stagecoach Sweep Repurchase Agreement Option.** The Transferable Balance will be swept to the *Wells Fargo Stagecoach Sweep* Repurchase Agreement ("Repurchase Agreement") Option. Any portion of the Transferable Balance not swept to a Repurchase Agreement will remain in the Account and not earn interest. At the beginning of the next Business Day the entire amount held in Company's Investment Sweep Option, less any earnings, will be swept back to the Account.
- 4.5. Wells Fargo Stagecoach Sweep, Money Market Mutual Fund ("MMMF") Option.** The Transferable Balance will be transferred to an omnibus deposit account at Bank. At the beginning of the next Business Day, the Transferable Balance will be transferred from the omnibus deposit account at Bank to an omnibus investment account in Bank's name at the custodian of the MMMF. MMMF shares belonging to multiple Bank customers are held in this investment account. Any portion of the Transferable Balance not swept to the MMMF will remain in the Account, and no dividends will accrue on it. If the Collected Balance in the Account on any Business Day is less than the Target Collected Balance, Bank will redeem a sufficient number of Company's MMMF shares, as determined on the Business Day following the Business Day on which this shortfall occurs, to restore the Collected Balance to the Target Collected Balance. Purchases and redemptions of MMMF shares in connection with this Investment Sweep Option may occur only through deposits to or withdrawals from the Account. This option is available only to entities having a United States presence, as demonstrated by a U.S. mailing address in Bank's records for Company.

5. Maximum Investment Amount; Transferable Balance Not Invested; Earnings on Investment Sweep Option.

5.1. Maximum Investment Amount. If Company has designated a maximum amount for investment in Company's Investment Sweep Option ("Maximum Investment Amount"), then the maximum amount invested for Company on any given Business Day will equal the lesser of the Company's Transferable Balance or Maximum Investment Amount. Any portion of Company's Transferable Balance that is not invested pursuant to this section 5.1 will remain in the Account and not earn interest.

5.2. Transferable Balance Not Invested. Bank will exercise reasonable efforts to invest the entire Transferable Balance but reserves the right to invest less when Bank determines in its sole discretion that the entire Transferable Balance exceeds the amount Bank is able to invest for Company in the ordinary course of business. Any Transferable Balance not invested pursuant to this section 5.2 will be held in accordance with Company's Investment Sweep Option.

5.3. Earnings on Company's Investment Sweep Option. Bank will handle any earnings on Company's Investment Sweep Option in accordance with Company's separate instructions to Bank.

6. Wells Fargo Money Market Savings Account Sweep Option. At the end of each Business Day, the Transferable Balance will be swept to the Company's Savings Account. If the Ledger Balance in the Account on any Business Day is negative, Bank will, up to five times per monthly statement period for the Savings Account, transfer collected funds from the Savings Account to the Account to restore the ledger balance in the Account to a positive status (or to the Target Collected Balance, if applicable). If the Ledger Balance in the Account is negative for a sixth time during the monthly statement period, Bank will transfer the entire collected balance in the Savings Account to the Account and initiate no more sweeps of the Transferable Balance to the Savings Account for the remainder of the monthly statement period.

7. Credit Sweep Option. At the end of each Business Day, the Transferable Balance will first be applied to the outstanding balance on the line of credit specified by Company in the Acceptance ("LOC"). Any remaining funds will then be deemed to be the Transferable Balance with respect to the Investment Sweep Option or MMS Account that Company may have also selected. If the Collected Balance is less than the Target Collected Balance, funds will be advanced from the LOC and credited to the Account. The application of payments to and advances from the LOC are governed by the documents governing the LOC as amended or replaced from time to time (collectively, "Loan Documentation"). Bank may terminate the Credit Sweep Option immediately without notice to Company if an event of default occurs under the Loan Documentation.

8. Disclosures Applicable To Each Investment Sweep Option.

NO EMPLOYEE OR AGENT OF BANK HAS BEEN AUTHORIZED TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION REGARDING A SWEEP OPTION OTHER THAN THE INFORMATION AND REPRESENTATIONS CONTAINED IN THE SERVICE DOCUMENTATION AND IF SUCH INFORMATION IS PROVIDED OR SUCH A REPRESENTATION IS MADE, IT MAY NOT BE RELIED UPON AS BEING AUTHORIZED BY BANK.

9. Additional Disclosures Applicable to Wells Fargo Stagecoach Sweep Preferred Option.

FUNDS TRANSFERRED TO BANK'S OFFSHORE ACCOUNT ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION THE UNITED STATES GOVERNMENT OR ANY GOVERNMENT AGENCY; IN A LIQUIDATION HAVE LESSER PREFERENCE THAN DEPOSITS HELD IN THE UNITED STATES, AND ARE SUBJECT TO CROSS-BORDER RISKS.

- 9.1. General.** Funds held in Bank's Offshore Account in accordance with the *Wells Fargo Stagecoach Sweep Preferred Option* in sections 4.1, 4.2 and 4.3 are denominated in United States Dollars and payable only at Bank's Cayman Islands Branch. This Branch is a foreign branch located in Grand Cayman, Cayman Islands, British West Indies. Funds in Bank's Offshore Account are subject to the laws of the Cayman Islands, including existing and future laws, regulations and governmental actions regarding exchange controls, assets seizures and other restrictions. Bank does not accept responsibility for any failure to make transfers with respect to funds held in Bank's Offshore Account as a result of exchange or other governmental controls or other extraordinary circumstances beyond Bank's reasonable control.
- 9.2. Interest.** Funds in Bank's Offshore Account will bear interest at a variable rate determined by Bank from time to time in its sole discretion. Interest on funds in Bank's Offshore Account will be calculated on a simple basis and credited to the Account as agreed by Company and Bank. If Company has elected to be paid interest on a monthly basis, pending any such payment, Company's interest accrued each day from the Offshore Account will continue to accrue and compound on a daily basis. For advance information about the interest rate on any given Business Day, Company may contact its relationship manager at Bank.
- 9.3. Statements.** Bank will make a periodic statement available to Company showing the Account balance for each day in, and the amount of interest earned for, the statement period. Additionally, Company may elect to receive a daily confirmation showing the Account balance and the amount of interest earned for the preceding day.

10. Additional Disclosures Applicable to Wells Fargo Stagecoach Sweep Repurchase Agreement Option.

INVESTMENTS IN REPURCHASE AGREEMENTS ARE NOT DEPOSITS, ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION AND ARE NOT GUARANTEED BY THE UNITED STATES GOVERNMENT OR ANY AGENCY OF IT, OR BY BANK, NOR IS BANK'S OBLIGATION TO REPURCHASE COMPANY'S FRACTIONAL INTEREST IN ANY SECURITIES ACQUIRED UNDER REPURCHASE AGREEMENTS.

THE MASTER REPURCHASE AGREEMENT CONTAINS SPECIFIC PROVISIONS AND ADDITIONAL DISCLOSURES. PLEASE READ IT CAREFULLY.

THE REPO SECURITIES MAY OR MAY NOT BE GUARANTEED BY THE UNITED STATES GOVERNMENT BUT ANY SUCH GUARANTY DOES NOT FLOW TO COMPANY. ALL SECURITIES CARRY INVESTMENT RISK AND MAY LOSE VALUE.

THE RATE OF RETURN ON THE REPURCHASE AGREEMENT INVESTMENT IS NOT THE SAME AS THE RATE OF RETURN ON THE UNDERLYING GOVERNMENT SECURITIES. GENERAL BANKING ASSETS MAY BE USED TO SATISFY BANK'S REPURCHASE OBLIGATIONS TO COMPANY.

10.1. General. If Company has elected an Investment Sweep Option that includes a Repurchase Agreement, then the Master Repurchase Agreement including Annex I between Company and Bank (collectively, "Master Repurchase Agreement") is part of the Service Documentation. If there is a conflict between a term in this Service Description and a term in the Master Repurchase Agreement, the term in this Service Description will control.

10.2. Purchases and Sales. In accordance with, and as more particularly described in, the Master Repurchase Agreement, and subject to the limitations described in section 10.3, Bank will sell to Company on each Business Day on which there is a Transferable Balance an interest ("Fractional Interest") in a pool of securities used by Bank as repurchase agreement collateral ("Repo Securities"), which will be described in a written confirmation to Company (see section 10.8).

Subject to section 10.3 regarding purchase increments, the price of Company's Fractional Interest ("Purchase Price") will equal the Transferable Balance. The Fractional Interest equals a fraction having the Transferable Balance as its numerator and the market value of the Repo Securities owned by Bank on the purchase date as its denominator. On each Business Day following the sale to Company of a Fractional Interest, Bank will repurchase that Fractional Interest from Company at (a) the Purchase Price thereof, regardless of any fluctuation in the market value of the Repo Securities, payable immediately, plus (b) a rate of return equal to 1/360 of the Pricing Rate, payable at the time agreed by Company and Bank. The "Pricing Rate" is a variable rate determined by Bank from time to time in its sole discretion and will be reflected in the confirmation sent to Company. For advance information regarding the Pricing Rate on any given Business Day, Company may contact its relationship manager at Bank.

The Service will be governed by all applicable federal and state laws and regulations, including without limitation any requirements applicable to "public funds". Company represents and warrants to Bank that Company (i) is authorized pursuant to its governing documents and applicable law to enter into repurchase agreements; (ii) is authorized pursuant to its governing documents and applicable law to invest in the type of securities designated by Bank in connection with Company's repurchase agreement transactions; and (iii) has obtained all necessary approvals required by its governing documents and applicable law, including but not limited to resolutions of Company's governing body to enter into the Master Repurchase Agreement.

10.3. Purchase Increments. To avoid odd lot purchases of Repo Securities, Bank may require that Transferable Balances be used to purchase Company's Fractional Interest in increments of \$100 (with any unused Transferable Balance remaining in the Account).

10.4. Holding of Securities. Unless required by applicable law, Bank and its custodian will be permitted to hold, transfer and deliver Repo Securities by segregation in bulk together with other securities held for the benefit of other Bank customers pursuant to other repurchase agreements. On the date that Bank repurchases Company's Fractional Interest, any Repo Securities designated to Company as collateral will be released to Bank's account. Bank acts as Company's agent and in the event of default (i.e., Bank failure) Company has the right to direct Bank to sell the Repo Securities and apply the proceeds in satisfaction of Bank's obligations to Company under this Repurchase Option.

10.5. Right of Substitution. Bank will not have any right of substitution with respect to the Repo Securities.

- 10.6. Margin.** Because all repurchase transactions under the Investment Sweep Option are overnight securities transactions backed by the federal government or federal agency securities in which Bank has an interest, Bank will not be required to maintain margin (instead, Company will have the security interest described in section 13.2). In addition, because Company will purchase its Fractional Interest from Bank using the Transferable Balance, and only if a Transferable Balance is available on any given Business Day to execute such transaction, Company will not be required to maintain margin.
- 10.7. Pledge of Securities.** Although the Repo Securities may be guaranteed as to principal and interest by the federal government or by the issuing federal agency, any such guarantee runs only to Bank by virtue of its direct ownership of the Repo Securities and does not extend to Company as a Fractional Interest holder. To collateralize Bank's repurchase obligation, a security interest in certain Repo Securities is transferred to Company. This security interest is described in section 13.2. In addition, the market value of the Repo Securities may fluctuate rendering liquidation insufficient to fulfill the Bank's entire obligation to Company in a default situation. If the liquidation value of the Repo Securities is insufficient for full reimbursement, or if another creditor successfully claims rights to the securities, then Company will have to look to other assets of Bank as an unsecured general creditor for repayment of any uncovered portion of the repurchase obligation.
- 10.8. Confirmations and Statements.** Bank will make a daily confirmation available to Company showing Company's principal sweep amount, purchase date, repurchase date, Fractional Interest, market price and the CUSIP number(s) of the Repo Securities, and accrued rate of return credited for the preceding Business Day. The confirmation, together with the Service Documentation, will constitute conclusive evidence of the terms agreed between Company and Bank with respect to the transaction to which the confirmation relates, unless with respect to the confirmation specific objection is made promptly after receipt thereof. In the event of a conflict between a term of the confirmation and the Service Documentation, the confirmation will control. Bank will also make a periodic statement available to Company showing the Account balance for each day in, and the amount of interest earned for, the statement period.

11. Additional Disclosures Applicable to Wells Fargo Stagecoach Sweep Money Market Mutual Fund Option.

MONEY MARKET MUTUAL FUNDS (EACH, A "MMMF") ARE NOT FDIC INSURED, HAVE NO BANK GUARANTY AND MAY LOSE VALUE.

AN INVESTMENT IN A MMMF IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENT AGENCY. ALTHOUGH THE MMMFs SEEK TO PRESERVE THE VALUE OF COMPANY'S INVESTMENT AT \$1.00 PER SHARE, IT IS POSSIBLE TO LOSE MONEY BY INVESTING IN A MMMF.

FOR MORE INFORMATION REGARDING WELLS FARGO FUNDS INCLUDING THE MMMF OPTION COMPANY SELECTED, OBTAIN A CURRENT PROSPECTUS BY CALLING 1-800-260-5969, OR BY VISITING www.wellsfargofunds.com. CONSIDER THE INVESTMENT OBJECTIVES, RISKS, CHARGES AND EXPENSES OF THE INVESTMENT CAREFULLY BEFORE INVESTING. THIS AND OTHER INFORMATION ABOUT WELLS FARGO FUNDS CAN BE FOUND IN A CURRENT PROSPECTUS. PLEASE READ IT CAREFULLY BEFORE INVESTING.

WELLS FARGO FUNDS MANAGEMENT, LLC, A WHOLLY OWNED SUBSIDIARY OF WELLS FARGO & COMPANY, PROVIDES INVESTMENT ADVISORY AND ADMINISTRATIVE SERVICES FOR WELLS FARGO FUNDS[®]. OTHER AFFILIATES OF WELLS FARGO & COMPANY PROVIDE SUB-ADVISORY AND OTHER SERVICES FOR THE FUNDS. THE FUNDS ARE DISTRIBUTED BY WELLS FARGO FUNDS DISTRIBUTOR, LLC, MEMBER FINRA/SIPC, AN AFFILIATE OF WELLS FARGO & COMPANY.

- 11.1. General.** If Company has elected the MMMF Investment Sweep Option, then it acknowledges receiving a copy of the prospectus relating to MMMF shares that will be purchased using this Investment Sweep Option. This prospectus forms part of the Service Documentation and will control over the other Service Documentation with respect to the MMMF shares.
- 11.2. Purchase of Shares.** Bank will transfer funds to purchase shares of the MMMF at their net asset value ("NAV") as determined on the Business Day following the transfer of Company's Transferable Balance to the omnibus deposit account at Bank. Company's shares of the MMMF ("Investment Balance") will be held in Bank's name, as agent on behalf of all of its customers invested in the MMMF, in an omnibus investment account at the custodian for the MMMF. Company's funds held in the omnibus deposit account at Bank are eligible for FDIC insurance; Company's Investment Balance is not FDIC insured.
- 11.3. Statements.** Bank will make a periodic statement available to Company showing the Investment Balance and Company's purchases and redemptions of MMMF shares during the statement period. Company may also telephone Bank at its customer service number (1-800-289-3557) to determine the Investment Balance as of the close of the previous Business Day.
- 11.4. Termination, Suspension of Service.** Company's investment in the MMMF shares will be credited by Bank to the Account within three Business Days from Bank's (i) receipt of a notice from Company to Bank terminating the Service or (ii) suspension of the Service, on the closing price of the Business Day on which Company's MMMF shares are sold. Accrued dividends attributable to the period when the Investment Sweep Option was in effect will be paid no later than the fifth Business Day of the month following the last month that the Investment Sweep Option was in effect.
- 11.5. Shareholder Communications.** All shareholder communications with respect to the MMMF will be forwarded to Company's current address as shown on Bank's records.
- 11.6. Dividend Accruals.** Daily dividend accruals are based on the Investment Balance at the end of each day. If Company's Account is credited for a MMMF redemption on a day preceding a non-Business Day, the redemption amount will be subtracted from the Investment Balance before the non-Business Day dividend accruals are calculated.
- 12. Additional Disclosures Applicable to Wells Fargo Money Market Savings Account Sweep Option.** Company's Savings Account is governed by Bank's Commercial Account Agreement and applicable Treasury Management pricing schedule, both of which are made available separately to Company.
- 13. FDIC Disclosures.** FDIC regulations require all insured depository institutions to disclose in writing to sweep account customers whether funds in a sweep account are deposits within the meaning of 12 U.S.C. 1813(l) and, if the funds are not deposits, the status such funds would have if the depository institution failed.

- 13.1. Wells Fargo Stagecoach Sweep Preferred Option.** Funds held on Company's behalf in Bank's Offshore Account are not deposits. If Bank were to fail, these funds would be treated as non-deposit, unsecured, general creditor claims against the receivership and will not be eligible for FDIC insurance or depositor preference status.
- 13.2. Wells Fargo Stagecoach Sweep Repurchase Agreement Option.** Company's Fractional Interest is not a deposit. The Repurchase Agreement Option meets the FDIC's requirements for a properly executed repurchase agreement. If Bank were to fail, Company's funds used to purchase Company's Fractional Interest would not be eligible for FDIC insurance. The FDIC would treat Company as a secured creditor to the extent of the then-current value of Company's Fractional Interest and as an unsecured general creditor to the extent the Repurchase Price exceeded the then-current value of Company's Fractional Interest.
- 13.3. Wells Fargo Stagecoach Sweep Money Market Mutual Funds Option.** Funds held on Company's behalf in the omnibus deposit account at Bank are deposits and are insured under applicable FDIC insurance rules and limits. Company's MMMF shares held in the omnibus investment account in Bank's name at the custodian of the MMMF are not deposits and will not be eligible for FDIC insurance. Company is the owner of its MMMF shares.
- 13.4. Wells Fargo Money Market Savings Account Sweep Option.** Funds held in Company's Savings Account are deposits.

WellsTAX[®] SERVICE DESCRIPTION



1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank") WellsTAX service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office[®] (CEO[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of Service.** With the Service, Company may transfer funds (each, a "Transfer") from its deposit account(s) with Bank (each, an "Account") to pay its federal payroll taxes to the Internal Revenue Service ("IRS") and to pay certain other federal, state or other taxes listed from time to time in the WellsTAX User Guide.
3. **Means for initiating Transfers.** Bank will originate Transfers from Company's Account(s) (each, a "Credit Entry") to third parties' (each a, "Receiver") accounts using the automated clearing house ("ACH") system. All Transfers will be made in accordance with the terms of this Service Description and, where applicable, the Operating Rules of the National Automated Clearing House Association ("NACHA Rules").
4. **Procedures for Initiating Transfers.** Company may initiate Transfers using Bank's *Commercial Electronic Office*[®] ("CEO"[®]) service or a touch-tone telephone. In order to initiate a Transfer, Company must use an access code, user name, password, token and/or other secure protocol (collectively referred to as "Security Credentials").
5. **Security Procedures.**
 - 5.1. Company will manage and control the access to the Service by means of its Security Credentials.

- 5.2. Company assumes the entire responsibility at all times for the supervision, management, control and confidentiality of its Security Credentials and the fraudulent or unauthorized thereof. Company understands the failure to protect its Security Credentials may allow an unauthorized person or entity to access the Service. Company agrees to develop and put in place internal procedures to limit this risk, including, without limitation, (a) changing the password at least once every 90 days, (b) disabling access for each person who is no longer authorized by Company to access the Service, and (c) protecting the confidentiality of the Security Credentials. Company also agrees to notify Bank immediately if it knows or suspects that the confidentiality of its Security Credentials has been breached.
- 5.3. Company agrees that all persons or entities employed by Company to prepare, process or transmit Company's Credit Entries to Bank will be deemed Company agents and will be subject to the same requirements as Company under this Service Description, including, among other things, compliance with the Security Procedures and the NACHA Rules.
6. **Accuracy of Data.** Company will provide to Bank the data and information necessary to enable Bank to inform the government agency or entity to be paid of the payment of the tax within the time period required by any rule or regulation governing the payment. Company authorizes Bank to rely on the accuracy of such data and information furnished by it.
7. **Transfer Deadline.** Any Transfer initiated on any Business Day (a day on which Bank is open to provide the Service, other than Saturdays, Sundays or federal holidays) after the cutoff hour Bank establishes, or any time on a non-Business Day, will be deemed initiated on the following Business Day. Transfers must be initiated by the applicable deadline ("Transfer Initiation Deadline") as follows: Transfers to a taxing authority must be initiated at least one Business Day prior to the date payment is due to the taxing authority.
8. **Authorized Reporting Agent.** In performing the Service, Bank is acting as Company's authorized reporting agent. If Company is a taxpayer mandated by federal law to make FTD payments and submit FTD information through the EFT system, Bank will make Company payments as FTD payments and submit Company payment information through the EFT system, regardless of Company's designation to the contrary.
9. **Acceptance of Transfer Requests.**
- 9.1. The Security Procedures describe the steps to be taken to attempt to prevent unauthorized Credit Entries. Company agrees to be bound by any Credit Entry authorized or transmitted by Company or made in Company's name and accepted by Bank in good faith and in compliance with the Security Procedures, even if not properly authorized by Company. If Bank takes any actions beyond those described in the Security Procedures in an attempt to detect an unauthorized Credit Entry or to detect errors in the transmission or content of a Credit Entry, Company agrees that no matter how many times Bank takes these actions (a) they will not become part of the Security Procedures; and (b) Bank will not be liable in any situation for failing to take or correctly perform these actions. Without limiting Bank's general right to reject entries or files under the NACHA Rules, Bank may reject any entry or file which does not comply with the requirements in this Service Description, the NACHA Rules or the Security Procedures, or with respect to which payment is not made in accordance with this

Section 9. A request for a Transfer may be delayed or may not be accepted by Bank if the Transfer would exceed the available funds in the Account on the Transfer Initiation Deadline, cause Bank to violate any applicable laws or regulations, or cause Bank to exceed any limitation on its intra-day net funds position established in accordance with Federal Reserve or other regulatory guidelines or violate any other Federal Reserve or other regulatory risk control program. If Bank does not accept a request for a Transfer or must delay making a requested Transfer, Bank will attempt to notify Company.

- 9.2. Company agrees to pay Bank, in immediately available funds, an amount equal to the full amount of the requested Transfer. Each such payment must be received by Bank on the date of initiation, which must be on or before the Transfer Initiation Deadline. Company expressly authorizes Bank to debit the Account for the total amount of such Transfer on the date of initiation.
- 9.3. If Bank rejects a Credit Entry Company has requested, Bank will endeavor to notify Company promptly on or before its scheduled Settlement Date, but Bank will have no liability to Company for any such rejection or for any loss resulting from Bank's failure to provide such notice.
- 9.4. Bank may process Company's Credit Entries either directly or through any mechanism it selects. Company represents and warrants with respect to each Credit Entry that Bank originates for Company that on its Effective Entry Date, on the date it is originated, and on the dates Bank debits the Account for the Credit Entry, (a) each Receiver has authorized the crediting of its account, and (b) each Credit Entry is in all other respects properly authorized. Company agrees to indemnify Bank for any losses, liabilities, costs or expenses Bank suffers or incurs as a result of any breach of these representations and warranties.
- 9.5. Bank will determine the funds transfer system or other third party communications systems and the means by which each Credit Entry will be originated.
- 9.6. Any instruction attempting to restrict Bank's acceptance of Company's Credit Entries or to reverse or delete any Credit Entry must be made in accordance with this Service Description and where applicable, the NACHA Rules. At Company's request, Bank will make reasonable efforts to reverse or delete a Credit Entry, but Bank will have no responsibility for the failure of any other person or entity to comply with Company's request.
10. **No Verification of Transfer Requests.** Bank is under no obligation whatsoever at any time to verify any Transfer request, and will have no liability for failing to investigate or verify any Transfer request.
11. **Confirmations.** Bank will confirm each Transfer by an entry on Company's account statement that Company will receive at regular intervals (or on any bank information reporting service that Bank provides Company). Company must immediately inform Bank of any Transfer that is incorrect or not authorized by Company.
12. **Debits to Accounts for Transfers.** Company hereby authorizes Bank to debit the Account for all Transfers made by Bank from such Account. Company agrees to maintain in each Account at all times good and sufficient funds to cover all Transfers out of such Account. If sufficient good funds are not maintained in an Account to cover fully a Transfer out of such Account, Bank

will have no obligation to perform the Service for Company or to make any Transfer out of such Account for Company even if Company has instructed Bank to do so.

- 13. Amendments and Cancellations of Transfer Requests.** After Bank has made a Transfer, it cannot be canceled, amended or reversed.
- 14. Records, Information and Audits.** Company agrees to determine promptly the accuracy of all records and information regarding the Service or any Transfer delivered by Bank to Company and to notify Bank immediately of any errors in such records or information. Nothing in this Service Description will relieve Company from (a) any responsibility imposed by law, regulation or contract with regard to the maintenance of records, or (b) any responsibility to perform audits and account reviews customarily conducted by persons or entities whose businesses are similar to Company's business.
- 15. Responsibility for Paying Taxes.** Any interruption in the Service will not relieve Company of any obligation to pay any tax to the IRS, or any other government agency or entity owed the tax, and Bank will have no liability to Company for any failure by Company in such circumstances to pay any tax.
- 16. Changes to Information.** Except as provided otherwise in this Agreement, the information on any Set-Up Form can only be changed by delivering a new Set-Up Form to Bank. Each completed Set-Up Form must be sent to Bank.
- 17. Survival.** Sections 9.4. and 10 will survive termination of the Service.

WIRE TRANSFER SERVICE DESCRIPTION

1. **Introduction.** The Service Documentation contains the terms governing the Wells Fargo Bank, N.A. ("Bank"), Wire Transfer service ("Service") and includes:
 - (a) this Service Description;
 - (b) the Acceptance of Services or Treasury Management Product Enrollment form;
 - (c) the Master Agreement for Treasury Management Services ("Master Agreement");
 - (d) the account agreement governing the account(s) Company uses in connection with the Service; and
 - (e) User Guides which include Terms of Use, software, software licenses, price schedules, specifications, instructions, and notices;

This Service Description and the Master Agreement are posted at Bank's Commercial Electronic Office[®] (CEO[®]) portal. If there is a conflict among the documents comprising the Service Documentation, they will govern in the order listed above. Company's use of the Service confirms Company's receipt of and agreement to be bound by the applicable Service Documentation. If an enhancement to the Service or other change requires a change to this Service Description, Bank will post an updated Service Description on the CEO[®] portal. When required by applicable law, Bank will notify Company of the update. If Company continues to use the Service after the update takes effect, Company will be deemed to have agreed to the update.

2. **Description of the Service.** The Service enables Company to instruct Bank to transfer funds in accordance with Article 4A of the Uniform Commercial Code as amended from time to time ("UCC 4A") and the rules and regulations of any funds transfer system Bank uses to effect the transfer. In this Service Description, an instruction to Bank (including any communication cancelling or amending an instruction) in Company's name to transfer funds from Company's account at Bank or Bank's affiliate (each, an "Account") is a "Payment Order" (as defined in UCC4A). Section 5 of this Service Description describes (a) the means Bank offers to Company for transmitting Payment Orders to Bank (each, an "Initiation Method") and (b) the means Bank will use to verify Company's authorization of a Payment Order or a communication amending or canceling a Payment Order (each, a "Security Procedure").
3. **Preparation of Payment Orders; Processing Schedules.** Company will prepare each Payment Order in accordance with guidelines Bank separately makes available from time to time. Bank will execute each Payment Order in accordance with Bank's then current processing schedule and any instructions Company furnishes with the Payment Order regarding the date a Payment Order is to be executed. A Payment Order will be deemed received by Bank when Bank has verified it in compliance with the Security Procedure. If Bank receives a Payment Order after Bank's applicable cutoff time on any Business Day, Bank will treat the Payment Order as having been received prior to Bank's applicable cutoff time on Bank's next Business Day. A "Business Day" is every day except Saturday, Sunday, and federal holidays.

4. **Inconsistency of Name and Number.** If a Payment Order describes the person to receive the funds that are the subject of the Payment Orders both by name and identifying number, Bank may execute the Payment Order on the basis of the identifying number, even if the number identifies a person different from the named person. If a Payment Order describes a financial institution both by name and identification number, the identification number may be relied upon to identify the financial institution, even if the identification number refers to a financial institution other than the named financial institution.
5. **Initiation Methods and Security Procedures.** This section lists the Initiation Methods and Security Procedures Bank offers for wire transfers. Company's elections regarding Initiation Methods and Security Procedures is/are set forth in the Acceptance.

5.1. Commercial Electronic Office[®] (CEO[®]) Initiation Method.

The CEO[®] portal is Bank's electronic banking portal that is accessed via the Internet. The CEO[®] security procedures are log-on credentials specified by Bank including a company ID, user ID, password, token, and any other authentication or authorization process Bank requires from time to time. Bank's standard CEO[®] security procedures also include dual custody for select, high-risk wire transfer activities. With dual custody, an authenticated second user approves these activities. There is no additional charge for dual custody.

5.2. Payment Manager[®] Initiation Method.

Secure Application File Exchange Transmission ("SAFE-T"). This transmission platform offers a variety of transmission protocols including hypertext transfer protocol secured (https), FTP over SSL (FTP/S), secure FTP (S-FTP), and Applicability Statement 2 (AS2).

Machine-to-Machine ("M2M"). This transmission method may use an XML message interface that is based on the Interactive Financial eXchange (IFX) message standard using SOAP structured messages; or it may use other formats and protocols such as JSON and REST. Data is communicated via the Internet using 128-bit encryption and Secure Socket Layers (SSL).

IBM[®] Connect:Direct[®] with Secure Plus+. Secure Plus+ is an add-on to Connect:Direct[®] to enhance security by means of Secure Socket Layer ("SSL") or Transport Layer Security ("TLS"). Connect:Direct[®] is a registered trademark of Sterling Commerce, Inc., an IBM company.

Value-Added Network ("VAN"). With this transmission method, a third party serves as an intermediary for transmitting data between Company and Bank. Procedures for transmitting Payment Orders may vary by VAN. Bank follows the procedures of the VAN selected by Company to authenticate each Payment Order transmitted to Bank through the VAN in Company's name.

SWIFT[®] File Act. SWIFT has established procedures for controlling access to SWIFT messaging services (each, an "Access Control") that may include access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages including without limitation Payment Orders based on SWIFT message type prior to accepting them for routing as SWIFT messages. This authentication may include confirming that the sender and recipient of the message have exchanged bilateral keys ("BKE"), entered into a relationship management application ("RMA") agreement, or taken other steps to secure the

transmission of SWIFT messages between them as SWIFT requires from time to time.

5.3. Voice Initiation Method.

Bank's voice initiation security procedure consists of confirming (a) the personal identification number ("PIN") accompanying a Payment Order corresponds with a valid PIN assigned to Company for voice-initiated Payment Orders and (b) the voice print provided when placing a Payment Order matches the voice print registered for the PIN holder.

5.4. SWIFT® (FIN) Initiation Method.

SWIFT has established procedures for controlling access to SWIFT messaging services that may include access codes, message authentication codes, secure card readers, digital signatures, and Hardware Security Modules. In addition, SWIFT authenticates certain messages including without limitation Files based on SWIFT message type prior to accepting them for routing as SWIFT messages. This authentication may include confirming that the sender and recipient of the message have exchanged bilateral keys ("BKE"), entered into a relationship management application ("RMA") agreement, or taken other steps to secure the transmission of SWIFT messages between them as SWIFT requires from time to time.

5.5. Non-Standard Security Procedure.

If Company has refused to utilize any of the security procedures described above, then the Security Procedure Company will use is described on Attachment B to the Acceptance.

6. **Authorization to Pay.** Company authorizes Bank to (a) execute any Payment Order Bank verifies in accordance with the Security Procedure and (b) debit the account specified in the Payment Order (and if no account is specified, the Account or any other account of Company at Bank or an affiliate) even if a debit results in an overdraft on the execution date (as defined in UCC4A). Company will maintain sufficient available funds in the account specified in the Payment Order at the time of each debit.
7. **Company's Duty to Report Erroneous or Unauthorized Transfer Instructions.** Company will exercise ordinary care to determine whether a Payment Order accepted by Bank was either erroneous or not authorized and to notify Bank of the relevant facts within a reasonable time not exceeding fourteen (14) days after Company receives notification from Bank that the Payment Order was accepted or that the Account was debited with respect to the Payment Order, whichever is earlier. Company will be liable to Bank for the loss Bank incurs as a result of Company's failure to act in accordance with this section.
8. **Rejected Payment Orders.** If a Payment Order is rejected for any reason Bank will attempt to notify Company promptly so Company may cure the defect but will have no liability to Company for a rejected Payment Order or any loss resulting from Bank's failure to provide notice.
9. **Cancellation, Amendment, Reversal.** A Payment Order will be final and not subject to cancellation, amendment or reversal by Company, except Bank may, at Company's request, make an effort to effect such cancellation, amendment or reversal without incurring any liability for its failure or inability to do so.
10. **International Wire Transfers.** A Payment Order expressed in U.S. Dollars will be sent in U.S. Dollars. Company may request that prior to executing a Payment Order, Bank convert the amount to be transferred from U.S. Dollars to the currency of a designated foreign government or intergovernmental organization ("Foreign Currency") at Bank's sell rate for exchange in effect on the date Bank executes the Payment Order. If the financial institution designated to receive the funds does not pay the beneficiary specified in a Payment Order payable in Foreign Currency and the funds are returned to Bank, Bank will not be liable for a sum in excess of the value of the funds after they have been converted from Foreign Currency to U.S. Dollars at Bank's buy rate for exchange at the time the cancellation of the Payment Order is confirmed by Bank. Bank will not be liable for any failure or delay by any financial institution or other third party in the designated foreign country in executing or failing to execute any Payment Order Bank transmits to a foreign country.
11. **Drawdown Requests.** A "drawdown request" is an instruction from Company to another depository institution to debit (a) an account at that institution and transfer the funds to Bank (each, an "outgoing drawdown request") or (b) the Account and transfer the funds to that institution (each, an "incoming drawdown request"). In this Service Description, "Payment Order" includes drawdown requests. Bank may execute an incoming drawdown request that conforms with instructions it receives through Fed Wire, SWIFT, CHIPS or any other funds transfer system, provided such instructions are not inconsistent with instructions Company separately provides in writing. The authority to execute the incoming drawdown request will

continue until Bank receives express written notice from Company that such authority is revoked.

- 12. Limitation of Bank's Liability.** If Bank executes Company's Payment Order by sending instructions to another financial institution, Bank may send the payment order by any transmission method and by any route Bank in its sole discretion considers reasonable. Bank will not be liable for any third party's failure to or delay or error in processing a Payment Order. If the beneficiary bank does not pay the beneficiary specified in the Payment Order, a refund will be made only after Bank has received confirmation of the effective cancellation of the Payment Order and Bank is in free possession of the funds debited or earmarked in connection with the Payment Order. If Bank is notified it did not transfer the full amount stated in a Payment Order, Bank's sole obligation will be to promptly execute a second Payment Order in the amount of the stated deficiency. If Bank executes a Payment Order in excess of the amount stated in the Payment Order, to the extent Company does not receive the benefit of the Payment Order, Bank will only be liable for any loss of the principal amount transferred in excess of the amount stated in the Payment Order. Additionally, Bank will be liable for the amount of interest Company has lost due to the transfer of the excess amount, computed at the then current Federal Funds rate. However, Bank's liability for loss of interest will be limited to twenty (20) calendar day's interest. This section sets forth Bank's complete liability for a Payment Order issued or received under this Service Description.
- 13. Survival.** Sections 4, 5, 6, 7, 8, 9, 10, 11 and 12 will survive the termination of Services.



Wells Fargo & Company Risk & Insurance Management
 Wells Fargo Center, MAC# N9305-144
 Sixth and Marquette
 Minneapolis, MN 55479

DIRECT QUESTIONS/COMMENTS REGARDING THIS EVIDENCE OF INSURANCE TO YOUR WELLS FARGO CONTACT.

Date: 12/21/2015

EVIDENCE OF CASUALTY INSURANCE COVERAGE

Insured:

Wells Fargo & Company and Its Subsidiaries including
 Wells Fargo Bank, N.A

Insurance Company:

Old Republic Insurance Company

This form certifies that the insurance policy described below has been issued to Wells Fargo & Company and its Subsidiaries.

Coverage	Covered Location(s)	Limits of Liability	Policy Period	Policy Number
Commercial General Liability Including premises operations, occurrence form; blanket contractual liability; host liquor liability coverage	Omnibus Additional Insured endorsement extends coverage to any person or organization for whom Wells Fargo & Company or its Subsidiaries have agreed under contract or agreement to provide insurance. In no event shall the insurance provided hereunder exceed the scope of coverage required by contract or agreement	\$10,000,000 Each Occurrence \$10,000,000 Aggregate \$10,000,000 Personal & Adv. Injury \$10,000,000 Products and Completed Operations	4/01/15 - 4/01/20	MWZY304056
Automobile Liability	Covers all owned, non-owned and hired automobiles	\$10,000,000 Each Occurrence Combined Single Limit	4/01/15 - 4/01/20	MWTB304054
Workers' Compensation and Employers' Liability	Provides workers' compensation coverage for employees in all states - except statutory workers' compensation provided either through a Monopolistic State Fund or Self-Insurance in the following states: Ohio, North Dakota, Washington and Wyoming or by the Wells Fargo Injury Benefit Plan in Texas.	Statutory - WC \$1,000,000 - EL Each Accident \$1,000,000 - EL Disease Each Employee	4/01/15 - 4/01/20	MWC302638 00

Evidence of Insurance Issued To:

City of Malibu

Malibu, CA 90265

Wells Fargo & Company Risk & Insurance Management

Jill M. Combs
 Risk & Insurance Manager

The information provided in the Evidence of Insurance document is basic in nature and should not be viewed as a definitive position to any coverage issue, claim or loss scenario. In the event of a claim or loss, the actual policy terms shall apply.



Wells Fargo & Company Risk & Insurance Management
Wells Fargo Center, MAC# N9305-144
 90 South 7th Street, 14th Floor
 Minneapolis, MN 55402

DIRECT QUESTIONS/COMMENTS REGARDING THIS EVIDENCE OF INSURANCE TO YOUR WELLS FARGO CONTACT.

Date: 12/21/2015

**EVIDENCE OF PROFESSIONAL (Errors & Omissions)
 LIABILITY COVERAGE**

Insured:

Wells Fargo & Company and Its Subsidiaries including
 Wells Fargo Bank, N.A

Insurance Company:

National Union Fire Ins. Co. of Pittsburgh, PA

This form certifies that the insurance policy described below has been issued to Wells Fargo & Company and its Subsidiaries.

Coverage	Coverage Details	Limits of Liability	Policy Period	Policy Number
Professional Liability	Provides Wells Fargo & Company and its Subsidiaries with coverage for claims arising out of an Employee's error or omission that occurs in performing professional services for others.	\$100,000,000 Per Occurrence and Aggregate	11/15/14 - 11/15/16	01-840-56-07

Evidence of Insurance Issued To:

City of Malibu

Malibu, CA 90265

Wells Fargo & Company Risk & Insurance Management

Jill M. Combs
 Risk & Insurance Manager

The information provided in the Evidence of Insurance document is basic in nature and should not be viewed as a definitive position to any coverage issue, claim or loss scenario. In the event of a claim or loss, the actual policy terms shall apply.

General Banking Services

Service Fees

Activity Charge Detail (based on October 2015 information)

Service Description	Unit Charge	Volume	Service Charge	Explanation
BALANCE & COMPENSATION INFORMATION				
Dep Insurance - Bank Assessment	0.12750	1,465	186.79	
GENERAL ACCOUNT SERVICES				
Account Maintenance	10.00	1	10.00	
Debits posted-other	0.15	2	0.30	
Credits posted-other	0.15	79	11.85	
Paper deposit statement mailed	5.00	1	5.00	Statements are available online
DEPOSITORY SERVICES				
Banking center deposit	0.50	29	14.50	Desktop is \$0.50, Branch is \$0.75
Curr/coin Dep/\$100-Bkg Ctr	0.20	54	10.80	
Cks Dep un-encoded items	0.07	673	47.11	
Returns-chargeback	6.00	1	6.00	
Returns-reclear	4.00	2	8.00	
PAPER DISBURSEMENT SERVICES				
General checks paid truncated	0.20	236	47.20	
Stop pay automated >12 months	15.00		-	
Image maintenance CPO	1.05	1	1.05	
GENERAL ACH SERVICES				
ACH monthly maintenance	10.00	1	10.00	
ACH LV-monthly maintenance	N/A	1		
ACH consumer on us credits	0.07	56	3.92	
ACH consumer off us credits	0.07	187	13.09	
ACH debit received item	0.15	9	1.35	
ACH credit received item	0.15	77	11.55	
ACH optional rpts-electronic	7.50	4	30.00	
ACH input-file	2.50	2	5.00	
WIRE & OTHER FUNDS TRANSFER SERVICES				
Book credit	9.00	2	18.00	
Wire advice-fax		2	-	Please see PDR
INFORMATION SERVICES				
CPO prem PDR account	10.00	1	10.00	
CPO prem CDR account	20.00	1	20.00	**Basic Banking
CPO prem PDR ltm stored	0.06	596	35.76	
CPO prem CDR item	N/A	252		
CPO online subscription	N/A	1		
CPO prem IR maintenance	N/A	1		
CPO prem research item				

Institution Name: Wells Fargo Bank, N.A.

Address: 14144 Ventura Blvd, Suite 200, Sherman Oaks, CA 91423

By: *Jeannie Kabilafkas*

Contact Name: Jeannie Kabilafkas

Date: 12/21/2015

Fax: 866-798-4855

Title: VP, Relationship Manager

Phone: 805-338-7327

Summary Position

Total Monthly Activity Charges	\$	584.67
Available Balance (Month Avg)	\$	1,465,000
Earnings Credit Rate Balances (0 % Federal Reserve Requirement)	\$	1,465,000
Earnings Credit Rate		0.18%
Earnings Allowance	\$	216.74
Estimated Net Position (Shortfall)	\$	(367.93)

Panini MyVision X50 - (One-Time Fee) + shipping & handling	\$	740.00
---	----	---------------

Activity Charge Detail

<u>Service Description</u>	<u>Charge Basis</u>	<u>Price</u>	<u>Monthly Volume</u>	<u>Activity Charges</u>
ACH				
ACH CEO RETURN SUBSCRIPTION - ITEM	Item accessed	0.20000	1	0.20
ACH CEO RETURN SUBSCRIPTION-ACCOUNT	Company ID	5.00000	1	5.00
ACH RECEIVED ITEM	Transaction	0.15000	85	12.75
ACH RET ITEM-INFO REPORTING ADVICE	Transaction	0.00000	0	0.00
ACH PAYMENTS ONLINE BATCH RELEASE	Batch/file	2.50000	2	5.00
ACH DELETE - ITEM	Delete	5.00000	0	0.00
ACH REVERSAL - ITEM	Reversal	5.00000	0	0.00
ACH PAYMENTS BASE FEE	Company ID	10.00000	1	10.00
ACH PAYMENTS TWO DAY ITEM	Transaction	0.07000	243	17.01
ACH NOC - INFO REPORTING ADVICE	Transaction	6.50000	0	0.00
ACH DELETE/REVERSE - BATCH/FILE	Batch/file	5.00000	0	0.00
ACH CEO SUBSCRIPTION - ACCOUNT	Account	7.50000	1	7.50
ACH CEO Subscription - Item	Item accessed	0.00750	243	1.82
Subtotal				59.28
ACH Fraud Filter				
ACH CEO FRAUD FILTER REVIEW MO BASE	Account	5.00000	1	5.00
ACH CEO FRAUD FILTER REVIEW - ITEM	Transaction filtered	2.00000	0	0.00
Subtotal				5.00
Cash Branch/Store Channel				
CASH DEP/\$1 VERIFY IN CASH VAULT T4	Dollar	0.00200	5,400	10.80
POST VERIFY DEPOSIT	Deposit bag	0.75000	1	0.75
Non Acct Holder Chk Cashing - Full	Check cashed	7.50000	0	0.00
DEP CORRECTION NIGHT DROP	Adjustment	7.50000	0	0.00
Subtotal				11.55

Together we'll go far



City of Malibu

Wells Fargo Treasury Management Proposal - December 2015

<u>Service Description</u>	<u>Charge Basis</u>	<u>Price</u>	<u>Monthly Volume</u>	<u>Activity Charges</u>
Desktop Deposit/Electronic Check				
SMART DECISION ELEC CHECK ACH ONUS	Check deposited	0.07000	40	2.80
SMART DECISION ELEC CHK ACH TRANSIT	Check deposited	0.07000	229	16.03
DESKTOP DEPOSIT CREDIT POSTED	Credit	0.50000	28	14.00
DESKTOP DEPOSIT-WFARGO DEPOSIT ITEM	Check deposited	0.07000	61	4.27
DESKTOP DEPOSIT-NON WFARGO DEP ITEM	Check deposited	0.07000	343	24.01
DESKTOP DEPOSIT MONTHLY BASE	Account	25.00000	1	25.00
Subtotal				86.11
General Account Services				
ACCOUNT MAINTENANCE-CHEXSTOR	Account	10.00000	1	10.00
DEBITS POSTED	Debit	0.15000	82	12.30
ELECTRONIC CREDITS POSTED	Credit	0.15000	38	5.70
Subtotal				28.00
General Disbursement Services				
DDA CHECKS PAID	Check paid	0.05000	236	11.80
STOP PAYMENT - AUTO RENEWAL	Stop payment	3.00000	0	0.00
STOP PAYMENT - ONLINE	Stop payment	15.00000	0	0.00
Subtotal				11.80
Information Reporting				
CEO EVENT MESSAGING SERVICE - EMAIL	Item reported	0.25000	25	6.25
CEO PREV DAY SUBSCRIPTION MTHLYBASE	Account	10.00000	1	10.00
CEO PREVIOUS DAY ITEM LOADED	Item loaded	0.06000	357	21.42
ELECTRONIC WINDOW EXTENDED STOR 90	Item loaded	0.02000	893	17.86
CEO BASIC BANKING - MONTHLY BASE	Company	20.00000	1	20.00
CEO BASIC BANKING - TRANSFER	Transaction	0.00000	0	0.00
CEO BASIC BANKING ADDL ACCT-MO BASE	Account	10.00000	0	0.00
Subtotal				75.53
Other Non TM				
RECOUPMENT MONTHLY	Deposit assessment	0.12750	1,465	186.79
Subtotal				186.79

Confidential

Wells Fargo Bank, N.A.

2015 | Treasury Management Consulting

2

City of Malibu

Wells Fargo Treasury Management Proposal - December 2015

Returned Items

CEO RETURN ITEM RETRIEVAL-IMAGE	Transaction	4.00000	0	0.00
RETURN ITEM - CHARGEBACK	Transaction	6.00000	1	6.00
ARC/BOC CHARGEBACK NO IRD	Return	2.50000	0	0.00
RETURN ITEM REDEPOSITED	Transaction	4.00000	2	8.00
CEO RETURN DECISIONING PER ITEM	Transaction	4.00000	0	0.00
Subtotal				14.00

<u>Service Description</u>	<u>Charge Basis</u>	<u>Price</u>	<u>Monthly Volume</u>	<u>Activity Charges</u>
----------------------------	---------------------	--------------	-----------------------	-------------------------

Wire Transfers

WIRE IN DOMESTIC	Transfer	15.00000	0	0.00
WIRE - BOOK TRANSFER - CEO	Transfer	8.00000	0	0.00
WIRE-OUTGOING DOMESTIC-CEO	Transfer	9.00000	2	18.00
OUTGOING WIRE RETURNED	Transfer	55.00000	0	0.00
WIRE IN REPAIR SURCHARGE	Exception	9.00000	0	0.00
WIRE INVESTIGATION	Investigation	65.00000	0	0.00
WIRE OUT REPAIR SURCHARGE	Exception	9.00000	0	0.00
Subtotal				18.00

Image Delivery

CEO SEARCH	Inquiry	1.05000	0	0.00
ONLINE IMAGE VIEW < 90 DAYS - ITEM	Image retrieved	2.50000	0	0.00
Subtotal				0.00

Account Reconciliation

CEO REGISTER INPUT - ITEM	Check issued	0.05000	236	11.80
ARP FULL RECON-ITEM	Check issued	0.05000	236	11.80
ARP MONTHLY BASE - FULL	Account	25.00000	1	25.00
ARP OPTIONAL REPORTS	Report	5.00000	1	5.00
CEO ARP STMT & RPTS MONTHLY BASE	account	7.50000	1	7.50
Subtotal				61.10

Positive Pay

PAYEE VALIDATION MANUAL REVIEW/ITEM	Check	0.25000	1	0.25
PAYEE VALIDATION STANDARD-ITEM	Check	0.03500	236	8.26
POSITIVE PAY EXCEPTION - CEO IMAGE	Image retrieved	2.00000	2	4.00
POS PAY CHECK VERIFICATION CALL	Call	15.00000	0	0.00
POSITIVE PAY EXCEPTION CHECKS RETND	Check returned	15.00000	0	0.00
POSITIVE PAY EXCEPTIONS - ITEM	Exception	6.00000	0	0.00
POSITIVE PAY MONTHLY BASE	Account	15.00000	1	15.00

Confidential

Wells Fargo Bank, N.A.

2015 | Treasury Management Consulting

3

City of Malibu

Wells Fargo Treasury Management Proposal - December 2015

Subtotal **27.51**

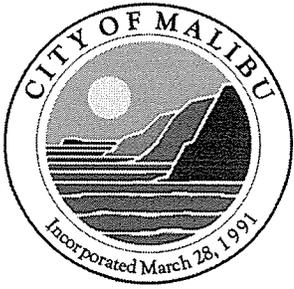
Total Monthly Activity Charges **584.67**

Setup Charges		Actual		To be Charged
ACH PAYMENTS SET UP FEE	Setup	375.00	1	20.00
ACH FRAUD FILTER - SET UP	Account	50.00	1	Waived
CEO WIRE ACCOUNT ADD	Account	30.00	1	Waived
ARP SET UP - FULL	Account	100.00	1	75.00
Total Setup Charges		555.00		95.00

The above pricing estimate is based on certain assumptions drawn from projected volume, scope of services and/or other information you have provided. The pricing is subject to change if the actual volume and/or scope of services differ from the assumptions upon which the pricing estimate was based.

Wells Fargo Bank, N.A. will pass through the FDIC assessment. This assessment is being passed on at the same rate and manner in which Wells Fargo Bank, N.A. is being charged. The FDIC fee is assessed on the Average Ledger Balance in your interest bearing and non-interest bearing accounts.

Zero Volume Elements - Elements with zero volume are not included in the estimated monthly analysis fee but are included for disclosure purposes.



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Reva Feldman, Assistant City Manager 

Approved by: Jim Thorsen, City Manager 

Date prepared: January 27, 2016 Meeting date: February 8, 2016

Subject: State Revolving Fund (SRF) Loan Application for the Civic Center Wastewater Treatment Facility (CCWWTF) Project

RECOMMENDED ACTION: Adopt Resolution No. 16-10 authorizing the reimbursement of funding from the SRF Loan for the CCWWTF and repealing Resolution No. 15-03.

FISCAL IMPACT: There is no fiscal impact to the General Fund associated with the recommended action. The City is applying for a SRF Loan from the State Water Resources Control Board for the CCWWTF.

On January 25, 2016, the Council adopted Resolution No. 16-06 confirming the formation of Assessment District No. 2015-1 which will pay for funding obtained through the SRF Loan program. It is anticipated that the SRF loan will provide substantial savings on interest for property owners within the CCWWTF Phase One Assessment District 2015-1.

DISCUSSION: On September 21, 2010, the State Water Resources Control Board approved a Basin Plan Amendment that prohibits discharge of onsite wastewater disposal systems into existing dispersal fields in the Malibu Civic Center area. On June 27, 2011, the City Council approved a Memorandum of Understanding (MOU) between the City and the Regional Water Quality Control Board and the State Water Resources Control Board. The MOU was revised on December 4, 2014.

The revised MOU identifies the implementation schedule and plan to construct a centralized sewer treatment facility for the Civic Center Prohibition area. The MOU requires the City to implement a wastewater treatment plan in a three-phased approach whereby the first phase requires certain properties in the Civic Center to be connected to a centralized wastewater treatment facility by June 2017.

On January 12, 2015, the Council adopted Resolution No. 15-03 which authorized the reimbursement of funding for the Civic Center Wastewater Treatment Facility Project from the State Water Board. Resolution No. 15-04 reflected a maximum project cost of \$45,200,000. Due to an increase in the cost of construction, the amount needs to be revised to reflect a maximum principal amount of \$60,300,000.

Upon approval by the Council, Resolution No. 16-10 will be forwarded to State Water Resources Control Board for inclusion with the City's funding application.

ATTACHMENTS: 1) Resolution No. 16-10
 2) Resolution No. 15-03

RESOLUTION NO. 16-10

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU
AUTHORIZING THE REIMBURSEMENT OF FUNDING FOR THE CIVIC
CENTER WASTEWATER TREATMENT FACILITY PROJECT FROM THE
STATE WATER BOARD AND REPEALING RESOLUTION NO. 15-03

Whereas, the City of Malibu (the “Agency”) desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water and wastewater system, including certain treatment facilities, pipelines and other infrastructure (the “Project”); and

Whereas, the Agency intends to finance the construction and/or reconstruction of the Project of portions of the Project with moneys (“Project Funds”) provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

Whereas, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the “Obligations”); and

Whereas, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the “Expenditures”) with respect to the Project from available moneys of the Agency; and

Whereas, the Agency has determined that those moneys to be advance on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. The agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$60,300,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation Section 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

Resolution No. 16-10
Page 2 of 2

SECTION 7. Resolution No. 15-03 is hereby repealed.

SECTION 8. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

SECTION 9. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

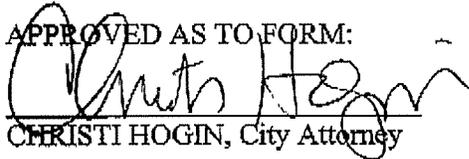
PASSED, APPROVED AND ADOPTED this 8th day of January, 2016.

LAURA ROSENTHAL, Mayor

ATTEST:

LISA POPE, City Clerk
(seal)

APPROVED AS TO FORM:



CHRISTI HOGIN, City Attorney



Council Agenda Report

To: Mayor Rosenthal and Honorable Members of the City Council

Prepared by: Reva Feldman, Assistant City Manager 

Approved by: Jim Thorsen, City Manager 

Date prepared: January 26, 2016 Meeting date: February 8, 2016

Subject: Fiscal Year (FY) 2015-2016 Mid-Year Financial Report

RECOMMENDED ACTION: 1) Receive and file FY 2015-2016 Mid-Year Financial Report; and 2) Adopt Resolution No. 16-09 amending the annual budget for Fiscal Year 2015-2016.

FISCAL IMPACT: As of December 31, 2015, the projected General Fund Undesignated Reserve at June 30, 2016 is \$20 million if the proposed budget amendments are approved. On January 25, 2016, the Council approved additional appropriations that will reduce the projected General Fund Undesignated Reserve to \$18.8 million.

DISCUSSION: The attached report provides revenue, expenditure and fund balance totals for the Second Quarter of Fiscal Year 2015-2016 and the proposed mid-year budget amendments.

The Revenues by Fund Report (pages A 1-4) reflects General Fund revenues of \$10.7 million or 42% of the annual budgeted amount for the fiscal year. General Fund revenues are meeting budget estimates to date. Total revenue of all funds received during the second quarter is \$14.3 million or 44% of the annual budgeted amount for the fiscal year. Many revenue sources are received on a quarterly or annual basis, and as such, will be reflected when the year-end report is presented.

The Expenditure by Fund Report (pages A 5-7) reflects any budget carryovers from Fiscal Year 2014-2015, as well as the appropriations approved by the City Council for the current fiscal year in the Amended Budget column. Budget Adjustments, Carryovers and Council Appropriations total \$1.7 million as of December 31, 2015. General Fund expenditures for the second quarter total \$11.6 million or 48% of the annual budgeted

amount. Expenditures for all funds total \$14.1 million or 43% of the annual budgeted amount.

Projected Fund Balances for the fiscal year end are reflected on page A-8. The projected Undesignated Fund Balance at June 30, 2016 includes all expenses appropriated by the Council as of December 31, 2015. The City ended Fiscal Year 2014-2015 with \$20.8 million in the Undesignated General Fund Reserve. As of December 31, 2015, the projected General Fund Undesignated Reserve at June 30, 2016 is \$20.5 million. If the proposed mid-year budget amendments are approved, the General Fund Undesignated Reserve at June 30, 2016 will be \$20 million.

The Treasurer's Cash and Investment Report is attached on page A-9.

Mid-Year Budget Amendments

Staff is recommending the following amendments to the General Fund expenditure budget:

- \$30,000 to Street Maintenance – Street Maintenance Services (100-3001-5200). The proposed budget amendment is needed for additional street maintenance services related to El Nino preparation. The budget amendment funding will be used to pay for additional services to clear and maintain City streets and drains before and after major rain events.
- \$5,000 for Street Maintenance – Operating Supplies (100-3001-6160). The proposed budget amendment is needed for additional supplies related to El Nino. Supplies purchased in connection with El Nino preparation include items such as road signs, sand bags and rain gear.
- \$50,000 for Stormwater Treatment Facilities – Stormwater Monitoring (100-3007-5656). This amendment is needed for additional monitoring services during and after El Nino storms. Additional monitoring services are required to ensure that the City is in compliance with all water regulation and pollution laws.
- \$25,000 for Public Works/Engineering – Contract Personnel (100-3008-5107). Additional administrative staffing is needed in the Public Works department. The proposed budget amendment reflects the cost of hiring a temporary employee to assist with high priority administrative functions. With the anticipated award of a contract for the construction of the Civic Center Wastewater Treatment Facility and the construction of multiple Measure R funded projects, the Public Works department needs assistance to ensure that all administrative matters are adequately addressed.
- \$25,000 for Public Works/Engineering – Traffic Engineering (100-3008-5125). Additional funds are needed for traffic engineering services for proposed traffic

improvements in the Point Dume area. The City is in the process of preparing a new traffic management plan. The additional funding will be used to pay for consulting services associated with the traffic plan.

- \$49,000 for Park Maintenance – Maintenance (100-4001-5130). Repairs are needed at the Bluffs Park playground. The proposed amendment will cover the cost of repairing the wall climber and main playground area in the park.
- \$17,600 for Aquatics – Equipment (100-4002-7800). The existing trailer used as an office for City employees that is located adjacent to the Malibu High School pool needs to be replaced. The proposed budget amendment reflect the cost of removing the existing trailer and the purchase and installation of a new trailer.
- \$7,500 for City Council – Events (100-7001-6170). The City's 25th anniversary event has been expanded to include an art exhibit opening with the Cultural Arts Commission. Additional funding is needed for costs associated with the expanded event, including the installation of a surfboard exhibit in City Hall.
- \$75,000 for Planning – Professional Services (101-2001-5100). Additional contract planning services are needed. The proposed budget amendment reflects this expense.
- \$50,000 for Wastewater Management – Professional Services (101-2010-5100). Additional contract services are needed for the review of environmental health review services.

The net impact to the General Fund for the proposed amendments is \$334,100.

Staff is recommending the following amendments to the Capital Improvements Project Fund expenditure budget:

- \$150,000 for PCH Signal Synchronization System Improvements (310-9066). This amendment reflects a new capital improvement project that will be funded from Los Angeles County Metro Measure R.
- \$100,000 for Speed Advisory Signs (310-9067). This amendment reflects a new capital improvement project to implement the Point Dume Traffic Management Plan. Work includes installing speed advisory signs in the Point Dume area and along Busch Drive, as well as potential new speed humps, signage and striping. The project will be funded from the General Fund.
- \$60,000 for Bus Stop Shelters (310-9068). This amendment reflects a new capital improvement project to install up to three bus stop shelters. The project will be funded from the General Fund.

Staff is recommending the following amendments to the Legacy Park Project Fund expenditure budget:

- \$25,000 for Stormwater Treatment Facilities – Equipment. The proposed budget amendment is for repairs to storm drains in the Civic Center area.

The proposed total amended expenditure budget is \$669,100, of which \$494,000 will be funded from the General Fund Undesignated Reserve, \$150,000 will be funded from Measure R and \$25,000 will be funded from the Legacy Park Project Fund.

If the proposed budget amendments are approved, the projected General Fund Undesignated Reserve at June 30, 2016 will be \$20 million.

The Fiscal Year 2015-2016 Second Quarter Financial Report and the proposed Mid-Year Budget Amendments were discussed by the Administration and Finance (A&F) Subcommittee on January 25, 2016. The A&F Subcommittee recommended that the Council approve the proposed budget amendments for Fiscal Year 2015-2016.

- ATTACHMENTS:
1. Revenues by Fund Report
 2. Expenditures by Fund Report
 3. Schedule of Projected Fund Balances
 4. Treasurer's Cash and Investment Report
 5. Resolution No. 16-09

REVENUES BY FUND

December 31, 2015

Object	Description	2015-2016	Amended	Received	Percentage	2015-2016
		Adopted	Budget	12/31/2015	Received	Projected
100, 101 & 103 General Fund						
3111	Current Year Secured Property Tax	\$ 8,300,000	\$ 8,300,000	\$ 3,582,442	43.2%	\$ 8,300,000
3112	Current Year Unsecured Property Tax	300,000	300,000	325,416	108.5%	300,000
3113	Homeowner's Exemption	60,000	60,000	9,439	15.7%	60,000
3114	Prior Year Secured Property Tax	20,000	20,000	-	0.0%	20,000
3115	Prior Year Unsecured Property Tax	10,000	10,000	-	0.0%	10,000
3118	Property Tax In-Lieu	1,525,000	1,525,000	-	0.0%	1,525,000
	Revenue from Property Taxes	10,215,000	10,215,000	3,917,297	38.35%	10,215,000
3131	Documentary Transfer Tax	600,000	600,000	325,717	54.3%	600,000
3132	Utility User's Tax	2,485,000	2,485,000	989,867	39.8%	2,485,000
3133	Transient Occupancy Tax	1,250,000	1,250,000	588,782	47.1%	1,250,000
3133-01	Transient Occupancy Tax - Private Rentals	550,000	550,000	364,824	66.3%	550,000
3134	Franchise Fees	775,000	775,000	175,792	22.7%	775,000
3137	Sales and Use Tax	3,450,000	3,450,000	705,215	20.4%	3,450,000
3137-01	Sales and Use Tax-Triple Flip Payment	240,000	240,000	-	0.0%	240,000
3138	Parking Tax	310,000	310,000	220,575	71.2%	310,000
	Revenue From Other Taxes	9,660,000	9,660,000	3,370,772	34.9%	9,660,000
3201	Alarm Permits	25,000	25,000	15,950	63.8%	25,000
3202	Film Permits	450,000	450,000	250,274	55.6%	450,000
3203	Building Permits	500,000	500,000	350,532	70.1%	500,000
3203-01	Code Enforcement - Special Investigations	15,000	15,000	10,308	68.7%	15,000
3204	Wastewater Treatment System Permits	30,000	30,000	17,309	57.7%	30,000
3205	Plumbing Permits	80,000	80,000	43,282	54.1%	80,000
3207	Mechanical Permits	60,000	60,000	35,862	59.8%	60,000
3208	Electrical Permit Fees	110,000	110,000	70,584	64.2%	110,000
3209	Grading/Drainage Permit Fees	45,000	45,000	40,438	89.9%	45,000
3210	Misc. Permits	30,000	30,000	14,432	48.1%	30,000
3418	OWTS Operating Permit Fees	230,000	230,000	189,885	82.6%	230,000
3420	Parking Permits	2,300	2,300	1,056	45.9%	2,300
3421	Planning Review Fees	950,000	950,000	542,684	57.1%	950,000
	Revenue From Licenses and Permits	2,527,300	2,527,300	1,582,596	62.6%	2,527,300
3250	Parking Citations Fines	400,000	400,000	303,116	75.8%	400,000
	Revenue From Fines and Forfeitures	400,000	400,000	303,116	75.8%	400,000
3314	State Mandated Cost Reimbursement	10,000	78,540	78,540	100.0%	78,540
3318	Street Sweeping Reimbursements	40,000	40,000	-	0.0%	40,000
3373	Proposition A Recreation	25,000	25,000	-	0.0%	25,000
	Revenue From Other Governments	75,000	143,540	78,540	54.7%	143,540
3408	Biology Review Fees	80,000	80,000	51,386	64.2%	80,000
3409	Document Retention Fees	12,000	12,000	6,894	57.5%	12,000
3410	Building Plan Check Fees	250,000	250,000	148,359	59.3%	250,000
3410-01	Administrative Plan Check Processing Fee	15,000	15,000	10,136	67.6%	15,000
3411	Inspector Plan Check Fees	210,000	210,000	118,405	56.4%	210,000
3412	Geo Soils Engineering Fees	425,000	425,000	270,951	63.8%	425,000
3413	Other Plan Check Fees	30,000	30,000	14,436	48.1%	30,000
3414	Environmental Health Review Fees	210,000	210,000	138,750	66.1%	210,000
3415	Grading/Drainage Plan Review Fees	35,000	35,000	8,364	23.9%	35,000
3416	Code Enforcement Investigation Fees	5,000	5,000	3,172	63.4%	5,000
3419	Credit Card Fees	15,000	15,000	9,510	63.4%	15,000
3422	OWTS Practinoners Fees	2,500	2,500	2,299	92.0%	2,500
3425	CA Building Standards Surcharge	1,000	1,000	746	74.6%	1,000
3426	EIR Review Fees	50,000	50,000	19,232	38.5%	50,000
3427	Technology Enhancement Fee	8,500	8,500	5,559	65.4%	8,500
3431	Public Works/Engineering Fees	185,000	185,000	182,330	98.6%	185,000
3432	SUSMP Fees	13,000	13,000	9,206	70.8%	13,000
3433	Banner Hanging Fees	500	500	170	34.0%	500
3434	TOT Registration Fees	750	750	450	60.0%	750
3435	Admin Permit Processing Fees	65,000	65,000	38,648	59.5%	65,000
3436	Electric Vehicle Charger Fees	15,000	15,000	-	0.0%	15,000
3441	Sale of Publications and Materials	9,000	9,000	4,228	47.0%	9,000

Object	Description	2015-2016 Adopted	Amended Budget	Received 12/31/2015	Percentage Received	2015-2016 Projected
General Fund (Continued)						
3443	Emergency Preparedness Charges	1,500	1,500	720	48.0%	1,500
3444	Returned Check Service Fees	250	250	82	32.8%	250
3446	Vehicle Release Impound Fees	30,000	30,000	3,930	13.1%	30,000
3447	Election Fees	2,500	65,500	63,000	96.2%	65,500
3448	Subpoena Fees	2,500	2,500	1,819	72.8%	2,500
3449	False Alarm Service Charge	10,000	10,000	8,832	88.3%	10,000
3450	Residential Decals	1,000	1,000	395	39.5%	1,000
3451	Passport Processing Fees	40,000	40,000	21,625	54.1%	40,000
3461	Municipal Facility Use Fees	63,000	63,000	51,919	82.4%	63,000
3464	Youth Sports Program	78,000	78,000	60,757	77.9%	78,000
3465	Teen Program	11,000	11,000	4,583	41.7%	11,000
3466	Aquatics Program	125,000	125,000	81,228	65.0%	125,000
3467	Day Camp	85,000	85,000	22,454	26.4%	85,000
3468	Senior Adult Program	20,000	20,000	13,207	66.0%	20,000
3463/3470	Recreation/Community Class Registration	100,000	100,000	44,612	44.6%	100,000
3472	Special Events	13,000	13,000	1,775	13.7%	13,000
	Revenue From Service Charges	2,220,000	2,283,000	1,424,169	62.4%	2,283,000
3501	Interest Earnings	50,000	50,000	19,252	38.5%	50,000
3505	City Hall Use Fees	15,000	15,000	13,433	89.6%	15,000
	Use of Money and Property	65,000	65,000	32,685	50.3%	65,000
3600	Proceeds from Grants	50,000	50,000	-	0.0%	50,000
3901	Settlements	5,000	5,000	-	0.0%	5,000
3902	Legal Fees	2,500	2,500	846	33.8%	2,500
3904	TOT Private Rental Penalties	5,000	5,000	152	3.0%	5,000
3905	Miscellaneous Reimbursements	5,000	5,000	1,381	27.6%	5,000
3940	Sale of Surplus Property	500	500	-	0.0%	500
3943	Miscellaneous Revenue	5,000	5,000	2,225	44.5%	5,000
	Miscellaneous Revenue	73,000	73,000	4,604	6.3%	73,000
Total General Fund		\$ 25,235,300	\$ 25,366,840	10,713,779	42.2%	\$ 25,366,840
201 Gas Tax Fund						
3315	Highway User's Fees	301,356	301,356	129,043	42.8%	301,356
	Interest Earnings	100	100	-	0.0%	100
	Total Gas Tax Fund	301,456	301,456	129,043	42.8%	301,456
202 Traffic Safety Fund						
3312	Fines & Forfeitures	350,000	350,000	138,854	39.7%	350,000
	Interest Earnings	200	200	-	0.0%	200
	Total Traffic Safety Fund	350,200	350,200	138,854	39.6%	350,200
203 Proposition A Fund						
3371	Prop A Funds	215,000	215,000	117,093	54.5%	215,000
3501	Interest Earnings	100	100	-	0.0%	100
	Total Proposition A Fund	215,100	215,100	117,093	54.4%	215,100
204 Proposition C Fund						
3372	Prop C Funds	175,000	175,000	97,576	55.8%	175,000
3501	Interest Earnings	200	200	-	0.0%	200
	Total Proposition C Fund	175,200	175,200	97,576	55.7%	175,200
205 Measure R Fund						
3374	Measure R Funds	130,000	130,000	72,917	56.1%	130,000
3501	Interest Earnings	250	250	-	0.0%	250
	Total Measure R fund	130,250	130,250	72,917	56.0%	130,250
206 Air Quality Management Fund						
3377	AQMD Funds	15,000	15,000	4,016	26.8%	15,000
3501	Interest Earnings	50	50	-	0.0%	50
	Total Air Quality Management Fund	15,050	15,050	4,016	26.7%	15,050

Object	Description	2015-2016 Adopted	Amended Budget	Received 12/31/2015	Percentage Received	2015-2016 Projected
Special Revenue Funds (Continued)						
207 Solid Waste Management Fund						
3311	Solid Waste Management Surcharge	120,000	120,000	29,341	24.5%	120,000
3434	Recycling Fees	15,000	15,000	6,649	44.3%	15,000
3501	Interest Earnings	100	100	-	0.0%	100
3600	Grant Proceeds	5,000	5,000	5,000	100.0%	5,000
Total Solid Waste Management Fund		140,100	140,100	40,990	29.3%	140,100
208 Parkland Development Fund						
3135	Parkland Development Fees	15,000	15,000	15,084	100.6%	15,000
3501	Interest Earnings	250	250	-	0.0%	250
Total Park Development Fund		15,250	15,250	15,084	98.9%	15,250
209 Quimby Fund						
3501	Interest Earnings	100	100	-	0.0%	100
Total Quimby Fund		100	100	-	0.0%	100
211 COPS (Brulte) Grant Fund						
3600	Proceeds From Grants (Brulte)	100,000	100,000	73,654	73.7%	100,000
Total COPS (Brulte) Fund		100,000	100,000	73,654	73.7%	100,000
215 Community Development Block Grant Fund						
3600	Proceeds From Grants	106,935	106,935	-	0.0%	106,935
Total Comm. Dev. Block Grant Fund		106,935	106,935	-	0.0%	106,935
217 Traffic Safety Grant Funds						
3600	Proceeds From Grants	27,000	35,550	35,550	100.0%	35,550
Total ARRA Fund		27,000	35,550	35,550	100.0%	35,550
225 Grants Fund						
3376	TDA	-	-	-	0.0%	-
3600	Proceeds From Grants	2,290,834	2,290,834	1,565,965	68.4%	2,290,834
Total Grants Fund		2,290,834	2,290,834	1,565,965	68.4%	2,290,834
290 Big Rock LMD Fund						
3116	Big Rock Mesa Assessment	281,014	281,014	114,296	40.7%	281,014
3501	Interest Earnings	300	300	-	0.0%	300
Total Big Rock LMD Fund		281,314	281,314	114,296	40.6%	281,314
291 Malibu Road LMD Fund						
3116	Malibu Road Assessment	50,951	50,951	20,425	40.1%	50,951
3501	Interest	10	10	-	0.0%	10
Total Malibu Road LMD Fund		50,961	50,961	20,425	40.1%	50,961
292 Calle Del Barco LMD Fund						
3116	Calle Del Barco Assessment	31,982	31,982	14,129	44.2%	31,982
3501	Interest	200	200	-	0.0%	200
Total Calle Del Barco LMD Fund		32,182	32,182	14,129	43.9%	32,182
712 Carbon Beach Undergrounding CFD Fund						
3915	Carbon Beach Undergrounding Assessment	287,139	287,244	114,224	39.8%	287,244
Total Carbon Beach Undergrounding CFD		287,139	287,244	114,224	39.8%	287,244
713 Broad Beach Assessment District						
3915	Broad Beach Undergrounding Assessment	154,167	154,163	58,950	38.2%	154,163
Total Broad Beach Undergrounding AD		154,167	154,163	58,950	38.2%	\$ 154,163
Total Special Revenue Funds		4,673,238	4,681,889	2,612,766	55.8%	4,681,889

Object	Description	2015-2016 Adopted	Amended Budget	Received 12/31/2015	Percentage Received	2015-2016 Projected
500 Legacy Park Project Fund						
3501	Interest Earnings	2,500	2,500	-	0.0%	2,500
3505	Proceeds from Rent	1,931,735	1,931,735	798,950	41.4%	1,931,735
3905	Miscellaneous Revenue	40,000	40,000	-	0.0%	40,000
Total Legacy Park Project Fund		1,974,235	1,974,235	798,950	40.5%	1,974,235
Total Legacy Park Project Fund		1,974,235	1,974,235	798,950	40.5%	1,974,235
Internal Service Funds						
601 Vehicle Fund						
3951	Vehicle Charges	60,000	60,000	30,000	50.0%	60,000
Total Vehicle Fund		60,000	60,000	30,000	50.0%	60,000
602 Information Technology Fund						
3952	Information Technology Charges	423,500	475,500	211,750	44.5%	475,500
Total Information Technology Fund		423,500	475,500	211,750	44.5%	475,500
Total Internal Service Funds		483,500	535,500	241,750	45.1%	535,500
Total Revenue - All Funds		\$ 32,366,273	\$ 32,558,464	\$ 14,367,245	44.1%	\$ 32,558,464

Reconciliation of adopted to amended budget

Total 2014-2015 Adopted budget: \$ 32,366,273

Account	Description	Amount	
100-0000-3447	Election Fees	63,000	Budget Adjustment
100-0000-3314	Mandated Cost Reimbursements	68,540	Budget Adjustment
217-0000-3600	Office of Traffic Safety Federal Grant	8,550	Budget Adjustment
602-0000-3952	Information Technology Charges	52,000	Budget Adjustment
712-0000-3915	Carbon Beach Undergrounding Assessment	105	Budget Adjustment
713-0000-3915	Broad Beach Undergrounding Assessment	(4)	Budget Adjustment
Total Amendments		192,191	
Total Amendment Budget		32,558,464	

EXPENDITURES BY FUND

December 31, 2015

		Adopted Budget	Amended Budget (1)	YTD Actual	% Spent	2015-16 Projected
General Fund						
Management Services						
7001	City Council	\$ 516,842	\$ 521,842	\$ 277,223	53.1%	\$ 521,842
7003	City Manager	581,761	581,761	284,278	48.9%	581,761
7005	Legal Counsel	649,777	649,777	321,328	49.5%	649,777
7007	City Clerk	556,958	556,958	178,909	32.1%	556,958
Total Management Services		2,305,338	2,310,338	1,061,738	46.0%	2,310,338
Public Safety Services						
7021	Emergency Preparedness	209,417	209,417	118,456	56.6%	209,417
7031	Public Safety Services	6,706,272	6,706,272	2,959,016	44.1%	6,706,272
Total Public Safety		6,915,689	6,915,689	3,077,472	44.5%	6,915,689
Administrative Services						
3010	Civic Center Wastewater Treatment Facility	206,000	206,000	47,057	22.8%	206,000
7002	Media Operations	289,056	289,056	119,490	41.3%	289,056
7054	Finance	1,098,130	1,132,030	613,550	54.2%	1,132,030
7058	Human Resources	154,591	154,591	67,939	43.9%	154,591
7059	Non Departmental Services	1,591,503	1,708,649	1,203,770	70.5%	1,708,649
103-9050	City Hall	2,352,664	2,352,664	1,415,276	60.2%	2,352,664
Total Administrative Services		5,691,944	5,842,990	3,467,082	59.3%	5,842,990
Recreation Services						
4001	General Recreation	888,688	888,688	322,883	36.3%	888,688
4002	Aquatics	253,875	253,875	138,749	54.7%	253,875
4003	Outdoor Recreation	43,995	43,995	11,045	25.1%	43,995
4004	Day Camps	95,798	95,798	52,980	55.3%	95,798
4006	Youth Sports	124,004	124,004	58,162	46.9%	124,004
4007	Community Programs	158,892	158,892	47,255	29.7%	158,892
4008	Senior Adult Programs	136,471	136,471	70,860	51.9%	136,471
4009	Teen Programs	68,340	68,340	29,063	42.5%	68,340
4010	Park Maintenance	687,155	687,155	365,834	53.2%	687,155
4011	Special Events	199,241	199,241	84,353	42.3%	199,241
Total Recreation Services		2,656,459	2,656,459	1,181,184	44.5%	2,656,459
Environmental & Sustainability Development						
2004	Environmental & Building Safety	1,570,994	1,578,494	780,120	49.4%	1,578,494
2010	Wastewater Management	692,630	692,630	301,159	43.5%	692,630
3003	Clean Water Program	170,715	186,881	179,687	96.2%	186,881
Total Env. & Community Development		2,434,339	2,458,005	1,260,966	51.3%	2,458,005
Planning Department						
2001	Planning	2,284,813	2,284,813	870,856	38.1%	2,284,813
2012	Code Enforcement	217,768	217,768	94,081	43.2%	217,768
Total Planning Department		2,502,581	2,502,581	964,937	38.6%	2,502,581
Public Works/Engineering						
3001	Street Maintenance	596,578	596,578	190,144	31.9%	596,578
3007	City Facilities	94,000	94,000	43,419	46.2%	94,000
3008	Public Works	827,539	893,539	436,524	48.9%	893,539
Total Public Works		1,518,117	1,584,117	670,087	42.3%	1,584,117
Total General Fund		\$ 24,024,467	\$ 24,270,179	11,683,466	48.1%	\$ 24,270,179

(1) The amended budget column includes the original budget amount plus encumbrance carryovers and any additional appropriations.

EXPENDITURES BY FUND

December 31, 2015

		Adopted Budget	Amended Budget (1)	YTD Actual	% Spent	2014-15 Projected
Special Revenue Funds						
3001	Street Maintenance	720,000	720,000	275,000	38.2%	720,000
3004	Solid Waste Management	145,779	147,363	55,292	37.5%	147,363
3005	Fleet Operations	20,000	20,000	-	0.0%	20,000
3008	Public Works	85,000	93,550	50,550	54.0%	93,550
3009	Transportation Services	208,000	208,000	82,568	39.7%	208,000
6002	Big Rock Mesa LMD	308,706	308,706	121,379	39.3%	308,706
6003	Malibu Road LMD	52,970	52,970	22,707	42.9%	52,970
6004	Calle del Barco LMD	66,604	66,604	21,580	32.4%	66,604
6005	Carbon Beach Undergrounding CFD	287,244	287,244	184,314	64.2%	287,244
6006	Broad Beach Undergrounding AD	154,163	154,163	87,676	56.9%	154,163
7031	Public Safety	100,000	100,000	75,800	75.8%	100,000
7070	Community	6,935	6,935	2,890	41.7%	6,935
Total Special Revenue Funds		2,155,401	2,165,535	979,756	45.2%	2,165,535
Capital Project Funds						
310	Capital Improvement Fund					
	9002 Annual Street Overlay	650,000	699,469	778	0.1%	699,469
	9025 Las Flores Creek Restoration	-	473,082	3,036	0.6%	473,082
	9049 Civic Center Wastewater Improvements	-	25,000	87,556	350.2%	25,000
	9053 Broad Beach Bioinfiltration Project	-	108,118	47,842	44.2%	108,118
	9054 Wildlife Road Treatment	10,213	83,329	-	0.0%	83,329
	9055 PCH Bike Route Improvements	-	425,548	-	0.0%	425,548
	9057 PCH Regional Traffic Messaging System	275,000	300,000	-	0.0%	300,000
	9058 PCH Intersection Improvements	610,117	656,185	-	0.0%	656,185
	9059 PCH Median Improvements	400,000	400,000	-	0.0%	400,000
	9060 PCH Bus Stop Improvements	-	19,066	-	0.0%	19,066
	9061 Civic Center Way Improvements	375,000	375,000	-	0.0%	375,000
	9063 Biofiltration Devices-Las Flores and Malibu	-	156,259	44,437	28.4%	156,259
	9065 Malibu Community Labor Exchange	100,000	100,000	-	0.0%	100,000
Total Capital Project Funds		2,420,330	3,821,056	183,649	4.8%	3,821,056
Legacy Park Project Fund						
500	3003 Clean Water Program	375,000	375,000	-	0.0%	375,000
	3007 Stormwater Treatment Facilities	275,000	275,000	-	0.0%	275,000
	7004 Legacy Park Debt Service	1,099,220	1,099,220	769,667	70.0%	1,099,220
	7008 Legacy Park Operations	443,750	443,750	248,428	56.0%	443,750
Total Legacy Park Project Fund		2,192,970	2,192,970	1,018,095	46.4%	2,192,970
Internal Service Funds						
3005	Vehicle	51,000	51,000	18,340	36.0%	51,000
7060	Information Technology	419,758	471,758	273,653	58.0%	471,758
Total Internal Service Funds		470,758	522,758	291,993	55.9%	522,758
Total All Funds		\$ 31,263,926	\$ 32,972,498	\$ 14,156,959	42.9%	\$ 32,972,498

(1) The amended budget column includes the original budget amount plus encumbrance carryovers and any additional appropriations.

PROJECTED FUND BALANCES

December 31, 2015

FUND	Fund Balance July 1, 2015 (Audited)	Revenues Projected 12/31/2015	Expenditures Projected 12/31/2015	Transfers Budgeted 2014-2015	Fund Balance Projected (Unaudited)
General Fund - Undesignated	\$ 20,824,288	\$ 25,366,840	\$ 24,270,179	\$ (1,406,692)	20,514,257
General Fund - Designated for CIPs	958,530	-	-	(958,530)	-
Designated for Deferred Maintenance	1,126,016	-	-	(70,000)	1,056,016
Designated for Landon Center	1,000,000	-	-	-	1,000,000
Designated for Water Quality Settlement	250,000	-	-	-	250,000
Designated for CCWWTF - City Share	-	-	-	1,795,000	1,795,000
Designated for CCWWTF Phase II Reimbursable	-	-	-	835,000	835,000
Total General Fund	24,158,834	25,366,840	24,270,179	194,778	25,450,273
Gas Tax Fund	34,411	301,456	335,000	-	867
Traffic Safety Fund	44,789	350,200	423,000	(40,000)	(68,011)
Proposition A Fund	204,570	215,100	208,000	-	211,670
Proposition C Fund	38,988	175,200	-	(200,000)	14,188
Measure R Fund	16,775	130,250	-	(125,000)	22,025
Air Quality Management Fund	27,970	15,050	20,000	-	23,020
Solid Waste Management Fund	38,074	140,100	167,363	-	10,811
Parkland Development In-Lieu Fund	10,516	15,250	-	-	25,766
Quimby Fund	3,498	100	-	-	3,598
COPS Brulte Grant Fund	-	100,000	100,000	-	-
CDBG	-	106,935	6,935	(100,000)	-
Traffic Safety Grant Fund	-	35,550	35,550	-	-
Grants Fund	-	2,290,834	-	(2,290,834)	-
Big Rock LMD	215,380	281,314	308,706	-	187,988
Malibu Road LMD	14,262	50,961	52,970	-	12,253
Calle Del Barco LMD	114,763	32,182	66,604	-	80,341
Carbon Beach Undergrounding CFD	-	287,244	287,244	-	-
Broad Beach Assessment District	-	154,163	154,163	-	-
Total Special Revenue Funds	763,996	4,681,889	2,165,535	(2,755,834)	524,516
Capital Improvements	-	-	3,821,056	3,821,056	-
Total Cap. Imp. Funds	-	-	3,821,056	3,821,056	-
Legacy Park Project Fund	2,744,455	1,974,235	2,192,970	(1,260,000)	1,265,720
Total Legacy Fund	2,744,455	1,974,235	2,192,970	(1,260,000)	1,265,720
Vehicle	17,003	60,000	51,000	-	26,003
Information Technology	(7,259)	475,500	471,758	-	(3,517)
Total Internal Service Funds	9,744	535,500	522,758	-	22,486
Total All Funds	\$ 27,677,029	\$ 32,558,464	\$ 32,972,498	\$ -	\$ 27,262,995

CITY OF MALIBU

**CITY TREASURER'S CASH AND INVESTMENTS REPORT
FOR THE QUARTER ENDING DECEMBER 31, 2015**

<u>ACCOUNT</u>	<u>ISSUER</u>	<u>TYPE</u>	<u>AMOUNT</u>	<u>CURRENT YIELD</u>	<u>EARNINGS TO DATE*</u>	<u>MATURITY DATE</u>
Cash Operating	Bank of America	Checking	\$ 3,903,855	N/A		N/A
Revolving Cash Fund	Internal	Petty Cash	700	N/A	N/A	N/A
Investments	Local Agency Investment Fund (LAIF)	State of CA	22,804,485	0.37%	\$ 21,579	1 day
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	2.05%		11/13/2018
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	1.90%		5/16/2019
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	2.20%		11/16/2020
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	2.30%		11/18/2020
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	1.20%		5/2/2016
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	0.70%		3/6/2017
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	1.05%		3/6/2018
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	1.20%		3/6/2018
Investments	Wells Fargo Advisors	Federal Home Loan	250,000	1.05%		3/7/2018
TOTAL CASH AND INVESTMENTS			\$ 28,959,040		\$ 21,579	

In compliance with Government Code Section 53646, the Treasurer hereby certifies that sufficient cash and anticipated revenues are available to meet the City's expenditure requirements for the next six months, and further, that all investments comply with the City Council's approved investment ordinances.

Prepared by: Reva Feldman
Reva Feldman, Assistant City Manager

1/26/2016
Date

Reviewed by: Jim Thorsen
Jim Thorsen, City Manager

Date

RESOLUTION NO. 16-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU
AMENDING THE 2015-2016 ANNUAL BUDGET

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Since the adoption of the 2015-2016 annual budget on June 22 2015, the City has determined that additional expenditures and adjustments are necessary which require amending the Adopted Budget for Fiscal Year 2015-2016.

SECTION 2. The 2015-2016 annual budget is hereby amended as shown in Exhibit A. The 2015-2016 annual budget adopted June 22, 2015 by Resolution No. 15-34 as modified by Exhibit A shall be the official municipal budget for the City of Malibu.

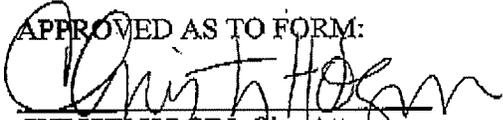
SECTION 3. The City Clerk shall certify the adoption of this resolution.

PASSED, APPROVED AND ADOPTED this 8th day of February, 2016.

LAURA ROSENTHAL, Mayor

ATTEST:

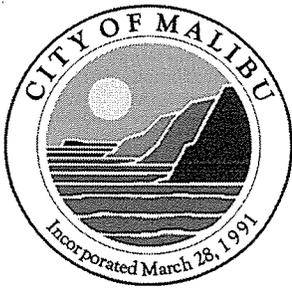
LISA POPE, City Clerk
(seal)

APPROVED AS TO FORM:


CHRISTI HOGIN, City Attorney

Exhibit A

2015-2016 BUDGET AMENDMENTS			
Account	Description	Amount	Detail
REVENUE			
	TOTAL ADOPTED REVENUE BUDGET	\$ 32,558,464	
	Total Adopted General Fund Revenues	\$ 25,366,840	
TOTAL ADOPTED EXPENDITURE BUDGET			
	TOTAL ADOPTED EXPENDITURE BUDGET	32,972,498	
	Total Adopted General Fund Expenditures	24,270,179	
EXPENDITURES			
General Fund			
100-3001-5200	Street Maintenance - Street Maintenance	30,000	Additional services for El Nino
100-3001-6160	Street Maintenance - Operating Supplies	5,000	Additional supplies for El Nino
100-3007-5656	Stormwater Treatment Facilities - Stormwater Monitoring	50,000	Additional services for El Nino
100-3008-5107	Public Works/Engineering - Contract Personnel	25,000	Temporary administrative staff
100-3008-5125	Public Works/Engineering - Traffic Engineering	25,000	Pt. Dume Traffic Engineering
100-4001-5130	Park Maintenance - Maintenance	49,000	Repair of Bluffs Park playground
100-4002-7800	Aquatics - Equipment	17,600	New pool office trailer
100-7001-6170	City Council - Events/Advertising	7,500	25th Anniversary & Art Opening Event
101-2001-5100	Planning - Professional Services	75,000	Contract planner services
101-2010-5100	Wastewater Management - Professional Services	50,000	WW review - contract services
	Proposed Amended General Fund Expenditures	334,100	
Capital Improvement Projects Fund			
310-9066	PCH Signal Synchronization System Improvements	150,000	Measure R Funded Project
310-9067	Speed Advisory Signs	100,000	Point Dume & Busch Drive
310-9068	Bus Stop Shelters	60,000	Bus Stop Shelters
	Proposed Amended CIP Fund Expenditures	310,000	
Legacy Park Project Fund			
100-3007-7800	Stormwater Treatment Facilities - Equipment	25,000	Repair of storm drain flaps
	Proposed Amended Legacy Park Fund Expenditures	25,000	
	TOTAL PROPOSED AMENDMENTS - ALL FUNDS	669,100	
	TOTAL AMENDED EXPENDITURE BUDGET (all funds)	\$ 33,641,598	



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Reva Feldman, Assistant City Manager

Approved by: Jim Thorsen, City Manager

Date prepared: January 26, 2016 Meeting date: February 8, 2016

Subject: Short-term Residential Rentals

RECOMMENDED ACTION: 1) Review suggestions from staff on enforcement options for regulating short-term residential rentals; and 2) Authorize the City Manager to execute Amendment No. 1 to the Professional Services Agreement with Solid Waste Solutions (SWS) for on-call monitoring services of short-term residential rentals.

FISCAL IMPACT: In Fiscal Year 2014-2015, the City collected \$1.2 million in Transient Occupancy Tax (TOT) from hotels and motels and \$700,000 in TOT from short-term residential rentals. Changes to the City's existing TOT regulations could impact future revenue.

Funding for Amendment No. 1 to the Professional Services Agreement with SWS was not included in the Adopted Budget for Fiscal Year 2015-2016. The amount that will need to be expended, if any, is currently unknown. At this time, staff is recommending that any necessary adjustments to the Adopted Budget for costs associated with the services provided be done as part of the next quarterly fiscal update.

DISCUSSION: On November 9, 2015, the Council discussed short-term residential rentals and directed staff to return to Council with options on how to enhance the City's oversight of short-term rental properties to ensure compliance with the Malibu Municipal Code.

There are 150 properties that are registered as short-term rentals in Malibu and are remitting TOT on a regular basis. In April 2015, Airbnb began collecting and remitting TOT for properties in the City that were rented through its website; this includes approximately 100-150 properties, some of which are also registered directly with the City.

The vast majority of the short-term rentals in the City do not generate complaints or MMC violations. When a short-term rental property has generated complaints related to potential MMC violations, the City has had success in resolving these matters by reaching out directly to each property owner to ensure violations do not continue.

If a property owner fail to address MMC violations, the City moves forward with citation and prosecution. Under the City's code these properties can be cited and fined for violating the City's noise, special events, parking, nuisance, and other ordinances.

MMC Chapter 8.24 defines the City's noise ordinance. This section bars a number of specific types of noise and also provides that "[n]o person shall make, or cause or suffer, or permit to be made upon any premises owned, occupied or controlled by such person, any unnecessary noises, sounds or vibrations which are physically annoying to reasonable persons of ordinary sensitivity or which are so harsh or so prolonged or unnatural or unusual in their use, time, or place as to occasion unnecessary discomfort to any persons within the neighborhood from which the noises emanate or which interfere with the peace and comfort of the residents or their guests, or the operators or customers in places of business in the vicinity, or which may detrimentally or adversely affect such residences or places of business."

MMC Chapter 17.48 assures the provision of adequate off-street parking facilities for residential properties. MMC Chapter 5.34 also limits the number of special events that may be held at a property, such as weddings or parties, and allows the City to condition such events to minimize impacts on neighboring properties.

One issue unique to short-term rental properties is that alleged violations of the MMC are most likely to occur at night or on weekends when City staff is generally not available to document or cite violations. While the Sheriff's Department is available at all times to respond to complaints, having additional resources available will help ensure prompt response, documentation, and action. It will also help identify short term rental properties that have not registered with the City and/or are not paying the TOT owed pursuant to MMC Chapter 3.24.

Staff recommends approving Amendment No. 1 to the Professional Services Agreement with SWS to provide on-call monitoring services of short-term rentals. SWS already provides film permitting services for the City. Because SWS is already providing these services to the City, they are able to be on call on a 24-hour basis and respond to complaints regarding noise, parking or other issues.

When SWS receives a complaint related to a short-term rental property violating the MMC, they will investigate and document the situation. If further action is required, SWS will either handle the complaint immediately or contact the Los Angeles County Sheriff's Department for enforcement. SWS will provide the City with a report of all complaints

Department for enforcement. SWS will provide the City with a report of all complaints which the City can review to ensure that property owners who are renting their properties for short-term rental purposes are complying with all applicable City laws.

If the reports show a pattern of violations, the City can use that information to evaluate the nature of the violations and whether additional resources are needed to address them. SWS's documentation will provide a responsive and independent evaluation of these situations by identifying and detailing whether a violation is occurring or if the property is in compliance. It is anticipated that property owners will be more likely to comply with the MMC as property owners will quickly learn that the City is available to address these issues at all hours.

ATTACHMENTS: Amendment No. 1 to Professional Services Agreement with SWS

AMENDMENT NO. 1 TO AGREEMENT

THIS AMENDMENT NO. 1 TO AGREEMENT is made and entered in the City of Malibu on this 8th day of February 2016, by and between the CITY OF MALIBU, hereinafter referred to as the "City", and Solid Waste Solutions, Inc., hereinafter referred to as the "Consultant".

The City and the Consultant agree as follows:

RECITALS

A. On January 12, 2015, the City entered into an Agreement with Consultant for film permit processing and management services. (the "Agreement").

B. The City desires to amend the Agreement Scope of Services to include on call services for the monitoring of short term residential rental properties. Consultant has submitted a proposal for this purpose that is acceptable to the City (Exhibit A).

NOW THEREFORE, in consideration of their mutual promises, obligations and covenants hereinafter contained, the parties hereto agree as follows:

1. Section 1.0 – Scope of the Consultant’s Services, of the Agreement, is hereby amended as set forth in Exhibit A attached hereto.
2. Section 4.0 – Compensation for Services, of the Agreement, is hereby amended in accordance with the Scope of Work attached hereto.
3. All terms and conditions of the Agreement not amended by this Amendment No. 1 remain in full force and effect.

This Agreement is executed on this _____, at Malibu, California, and effective as of _____.

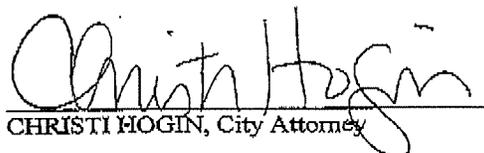
CITY OF MALIBU:

JIM THORSEN, City Manager

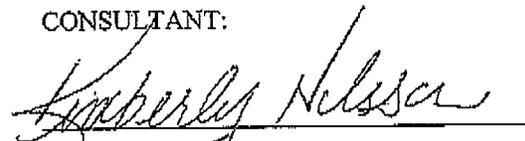
ATTEST:

LISA POPE, City Clerk
(seal)

APPROVED AS TO FORM:


CHRISTI HOGIN, City Attorney

CONSULTANT:



By: Kimberly Nilsson
Title: President



November 17, 2015

Reva Feldman, Assistant City Manager
City of Malibu
23825 Stuart Ranch Road
Malibu, CA 90265

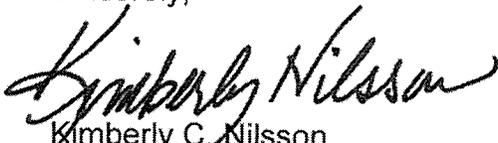
Subject: Short Term Residential Rentals: On Call Monitoring

Dear Reva,

Attached please find the scope of work and costs associated with the request for Solid Waste Solutions, Inc. (SWS) to provide on call services for the monitoring of short term residential rental properties. Attached to this proposal is a On Call procedure and checklist for your review.

We would like to thank you in advance for your continued confidence in our firm. It is our goal to provide professional, cost effective service to our clients.

Sincerely,


Kimberly C. Nilsson
President


Lars J. Nilsson
Treasurer

Attachment



Exhibit A: Scope of Services

Solid Waste Services: SWS will provide on call monitoring of residential rental properties in the City of Malibu. Services shall include, but not be limited to the following:

1. Public contact telephone number: SWS will provide a telephone number that is monitored 24 hours a day, 7 days a week and is available to the public for calling when they experience problems relative to short term rental properties. That number is (805)732-9433.

(Please note that the number listed here is also used on the notices that are distributed for film permits.)

2. On Call Monitoring: Once contacted by a resident SWS will provide a staff member to do a site visit as soon as feasible to the property that the complaint was received about.
3. On Call Monitor Checklist: SWS will report on what they see, hear, etc. and evaluate if the Los Angeles County Sheriff need to be called. Observations will be recorded on the On Call Monitor Checklist.
4. On Call completion: SWS will submit to the City the completed checklist, copies of any photos taken and a summary e-mail regarding the site visit.
5. SWS will bill the City monthly based on time expended and mileage driven. Rates are included in Exhibit B.



Exhibit B: Compensation

Contract Compensation as defined in Exhibit A: Scope of Work shall be billed at the billing rates listed below.

**Fee Schedule
For Short Term Residential Rental
On Call Monitor Services**

Standard Billing Rates November 2015

Professional Staff	Hourly Rate
On-Call Monitoring	\$63.00/hour
2015 IRS Mileage Reimbursement:	\$0.575/mile

Note: Cost of living adjustment of up to 3% as provided by the City of Malibu will be included after 12 months.



Short Term Residential Rental On Call Monitor Procedure

1. Receive problem call, begin On Call Monitor Checklist form.
2. Leave from work or home to go to the site. Log time and odometer mileage.
3. Arrive at site and evaluate problem. Take notes on the checklist form of existing situation. Take photos if they will assist the situation.
4. Call the Los Angeles county Sheriff for noise, parking and occupancy violations.
5. Complete the reporting form.
6. Return to work or home, log odometer reading and time.
7. Provide checklist to Kimberly ASAP. The next business day.
8. Scan the checklist form and send an e-mail to the City of Malibu summarizing the call, include the checklist form.



Short Term Residential Rental
On Call Monitor Checklist

Date: _____

Monitor: _____

Departure Time (Office/Home): _____

Starting Odometer Reading: _____

Caller Name: _____

Call Time: _____

Caller Address: _____

Residential Location Problems

Rental Location: _____

Noise:

Parking:

Occupancy:

Trash:

Problems: _____

Observations: _____

Sheriff Phone Number: 818-878-1808 Called: Time: _____

Sheriff Action: _____

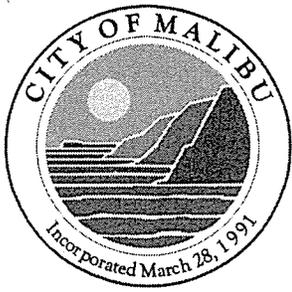
Return Time (Office/Home): _____

Ending Odometer Reading: _____

Monitor Signature: _____

MMC8.24.050 Prohibited Acts.

- A. Unnecessary Noise – Loud, boisterous or unusual noise disturbance, commotion or vibration, sirens, and alarms.
- B. Radios, Phonographs (record players, stereo) etc. from 10:00pm – 7:00am
- C. Bands or orchestral rehearsals from 10:00pm – 7:00am
- D. Engines, motors & mechanical devices near residential districts from 10:00pm – 7:00am
- E. Loading and unloading boxes, and crates from 10:00pm – 7:00am
- F. Construction – no work 7:00pm – 7:00am, before 8:00am or after 5:00pm on Saturday. No work Sunday



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Stephanie Hawner, Associate Planner *SH*

Reviewed: Bonnie Blue, Planning Director *BB*

Approved by: Jim Thorsen, City Manager *JT*

Date prepared: January 27, 2016 Meeting date: February 8, 2016

Subject: Preferential Parking Zone in the Point Dume Neighborhood, at the Intersection of Heathercliff Road and Dume Drive

RECOMMENDED ACTION: Receive and file.

FISCAL IMPACT: There is no direct fiscal impact associated with the recommended action. If the preferential parking program continues, it is anticipated that it will generate approximately \$1,000 a year in revenue from parking permits.

DISCUSSION: The item before the Council is the one-year review of Ordinance No. 381, adopted by the Council on September 8, 2014, establishing a preferential permit parking program in the Point Dume neighborhood. To allow sufficient time to assess whether the restriction addressed the daytime street parking conflict between the condominium residents and the businesses in the Point Dume Village Shopping Center, the Council established a preferential parking zone as a pilot program and retained authority to review and repeal the ordinance one year from the effective date of the ordinance.¹

The preferential permit parking program limits public street parking in the preferential parking zone across the street from the Point Dume Village Shopping Center, at the intersection of Heathercliff Road and Dume Drive. Parking is limited to 90 minutes between the hours of 8:00 a.m. and 6:00 p.m., except by permit available only to the residents of the Heathercliff Condominiums and Point Dume Villas Condominiums.

¹ Though the ordinance was effective in October 2014, the program was not implemented until February 2, 2015. Staff has scheduled this review one year from the ordinance's implementation date.

The City of Malibu Public Works Department installed permit parking signs identifying the hours of the parking restrictions, and demarcated the restricted zone in February 2015. The permit parking program is being utilized by the residents of the Heathercliff Condominiums and Dume View Villas Condominiums as indicated by the 44 parking permits issued to date.²

Staff has discussed the efficacy of the program with Ms. Lori Kantor of the Heathercliff Homeowners Association.³ Based upon her experience, and discussions with the Heathercliff Homeowners Association, the available street parking for residents has improved. No formal complaints have been received by the City. Therefore, staff has determined that the program is working as intended because there is a greater availability of street parking for the condominium residents, and the daytime street parking conflicts with the businesses in the Point Dume Village Shopping Center have been reduced.

Based upon staff's observations and Ms. Kantor's input, staff recommends the Council receive and file this report to continue the preferential parking zone in the Point Dume neighborhood.

ATTACHMENT: Ordinance No. 381

² Per Ordinance No. 381, no more than three preferential parking permits will be issued per dwelling unit per year. There are a total of 27 units in the condominium complex which means that a total of 81 permits are available for issuance per year.

³ Ms. Kantor initiated the request for permit parking with the Public Works Department. On November 13, 2012, Ms. Kantor addressed the City Council during public comment and presented a petition on behalf of Dume Drive residents requesting that the City Council provide permit parking in their neighborhood.

ORDINANCE NO. 381

AN ORDINANCE OF THE CITY OF MALIBU ADDING CHAPTER 10.24 TO TITLE 10 (VEHICLES AND TRAFFIC) OF THE MALIBU MUNICIPAL CODE TO ESTABLISH A PREFERENTIAL PARKING ZONE IN THE POINT DUME NEIGHBORHOOD, AT THE INTERSECTION OF HEATHERCLIFF ROAD AND DUME DRIVE, RESTRICTING PARKING TO 90 MINUTES BETWEEN THE HOURS OF 8:00 A.M. AND 6:00 P.M. EXCEPT BY PERMIT

The City Council of the City of Malibu does hereby ordain as follows:

Section 1. Findings. The City Council hereby finds that this amendment has been processed in accordance with state law and the Malibu Municipal Code (M.M.C.) and that the amendment is consistent with the General Plan.

A. There is a shortage of on-street parking on certain residential streets within the City, and parking restrictions have been imposed to facilitate the efficient use of street parking spaces.

B. Vehicles operated by persons whose destinations are to nonresidential areas, in the vicinity of the Point Dume Neighborhood at the intersection of Heathercliff Road and Dume Drive, substantially and regularly interfere with the use of the majority of available street parking spaces in the area.

C. There is no unreasonable displacement of non-resident vehicles by the creation of this preferential parking zone.

D. The City wishes to increase the availability of street parking spaces for residents and their guests as permitted by Section 22507 of the California Vehicle Code.

Section 2. Chapter 10.24 of Title 10 of the M.M.C. is hereby added and shall read as follows:

10.24.010 Short Title.

This chapter shall be known as the "Ordinance Restricting Parking in the Point Dume Neighborhood at the intersection of Heathercliff Road and Dume Drive and Creating Permit Parking for Residents."

10.24.020 Definitions.

As used in this chapter:

"Dwelling Unit" means any self-contained house, apartment, stock cooperative, or condominium occupied solely for residential purposes.

"Permit" means a permit issued by the City of Malibu pursuant to the provisions of this chapter.

“Preferential Parking Zone” means the residential area with streets and boundaries designated in Section 10.24.050, below, wherein vehicles displaying a permit shall be exempt from parking restrictions established pursuant to this chapter.

“Resident” means any person who lives in a dwelling unit located in the Heathercliff Condominiums or the Dume View Villas Condominiums.

10.24.030 Permits.

A. The public works department shall issue permits for preferential parking and collect all fees. No permit will be issued to any applicant until that applicant has paid all of his or her outstanding parking citations, including all civil penalties and related fees. Permit fees shall cover the cost of establishing and maintaining the preferential parking zone. These fees shall be set by city council.

B Duration. Preferential parking permits issued pursuant to this section shall remain in effect for a period of one calendar year or fraction thereof, or as long as the permit holder continues to reside in the dwelling unit for which the permit was issued or until the preferential parking zone is eliminated, whichever period of time is less. In the event the preferential parking zone is eliminated, or the permit holder moves from the preferential parking zone, or any other circumstance under which the permit is not used the full period it is valid, no refund of permit fees will be issued.

C. Preferential Parking Permits. Applicants shall be residents required to present proof of residency in the Heathercliff Condominiums or the Dume View Villas Condominiums. All preferential parking permits shall be imprinted with the permit number of the resident applicant. No more than three preferential parking permits will be issued per dwelling unit per year.

D. Additional Permit for Nonresident Caregiver. Notwithstanding the three permit limitation, the director of public works may issue one additional preferential parking permit per dwelling unit upon proof that the additional permit will be used exclusively by a nonresident caregiver who is attending to the care of a resident at the household during the hours the parking is restricted.

E. Availability of Parking. A preferential parking zone permit shall not guarantee or reserve to the holder thereof an on-street parking space within the designated preferential parking zone.

F. Restrictions and Conditions. Each permit issued pursuant to this section shall be subject to each and every condition and restriction set forth in this chapter including conditions or restrictions that may be altered or amended from time to time. The issuance of such permit shall not be construed to be a permit for, or approval of, any violation of this Code, California Vehicle Code, or any other law or regulation.

10.24.040 Permit Fee Hardship Exemption.

Upon application, the director of public works may grant a hardship exemption from the parking permit fee. The application shall be on the form provided by the public works department and shall include sufficient evidence to establish whether the applicant qualifies for an exemption pursuant to this section and shall be signed by the applicant under penalty of perjury. The director of public works shall grant the exemption for any qualified applicant.

A. Qualification. To qualify for the permit fee hardship exemption, the applicant must satisfy all of the following criteria:

1. The applicant must present adequate evidence that he or she would qualify for the California Alternate Rates for Energy (CARE) program;
2. The combined value of assets owned by the applicant must not exceed one hundred fifty thousand dollars (\$150,000.00) excluding the value of the residence itself;
3. No person other than the applicant can declare the applicant as a dependent for purposes of federal or state taxes.

B. In the event that the applicant, after receiving the hardship exemption, at any time ceases to satisfy all of the foregoing criteria, from that point on, the applicant will not be qualified to receive, and shall not receive, the hardship exemption.

10.24.050 Parking Restrictions.

Each vehicle shall be entitled to one maximum 90 minute period of parking between the hours of 8:00 a.m. and 6:00 p.m., except vehicles displaying a valid preferential parking zone permit issued pursuant to this chapter, in the following areas of the City of Malibu:

- A. South side of Heathercliff Road fronting the Heathercliff Condominiums property;
- B. East side of Dume Drive fronting the Heathercliff Condominiums property;
- C. West side of Dume Drive fronting the Dume View Villas Condominiums property.

10.24.060 Exemptions.

The following vehicles shall be exempt from parking restrictions of this chapter:

- A. A vehicle owned or operated by a utility, whether privately or publicly owned, when used in the course of business;

B. A vehicle owned or operated by a governmental agency when used in the course of official government business;

C. A vehicle that has been issued an authorized emergency vehicle permit by the commissioner of the California Highway Patrol, when that vehicle is used in the course of business;

D. A vehicle displaying an authorized exception card issued by the City of Malibu.

10.24.070 Transfer of preferential parking zone permits prohibited.

A. It is unlawful for any person to sell, rent, or lease, or cause to be sold, rented, or leased for any value or consideration any preferential parking zone permit. Upon the conviction of a violation of this subsection, any permit issued to that person shall be void.

B. It is unlawful for any person to buy or otherwise acquire for value or use any preferential permit, except as provided for in this chapter.

10.24.080 Prohibitions and fines.

A. No vehicle shall be parked or stopped adjacent to any curb in the preferential permit zone in violation of any posted or noticed prohibition or restriction, unless a parking permit imprinted with a valid permit number is prominently displayed on the vehicle as directed by the City.

B. Any person violating section 10.24.070 shall be guilty of a misdemeanor.

Section 3. The public works department shall cause signs to be placed in the preferential parking area notifying motorists of the preferential parking restrictions created by this Ordinance. All such signs shall comply with the standards set forth in the California Department of Transportation Traffic Manual.

Section 4. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

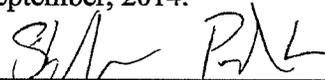
Section 5. The City Council intends for this to be a pilot project and hereby expressly retains authority to review and repeal this Ordinance. Staff is hereby directed to place a review of this

program on a regular meeting agenda approximately one year from the effective date of the ordinance.

Section 6. The ordinance is not effective until a Coastal Development Permit is approved for the program.

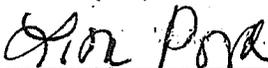
Section 7. The City Clerk shall certify adoption of this ordinance.

PASSED, APPROVED AND ADOPTED this 9th day of September, 2014.



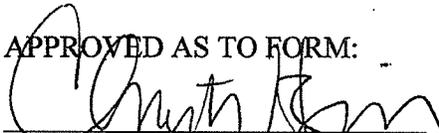
SKYLAR PEAK, Mayor

ATTEST:



LISA POPE, City Clerk
(seal)

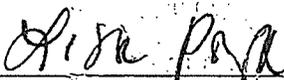
APPROVED AS TO FORM:



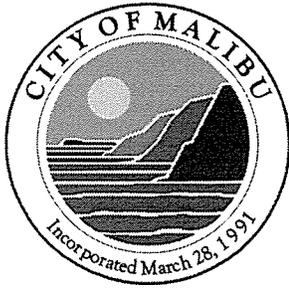
CHRISTI HOGIN, City Attorney

I CERTIFY THAT THE FOREGOING ORDINANCE NO. 381 was passed and adopted at the regular City Council meeting of September 8, 2014, by the following vote:

AYES: 5 Councilmembers: House, La Monte, Rosenthal, Sibert, Peak
NOES: 0
ABSTAIN: 0
ABSENT: 0



LISA POPE, City Clerk
(seal)



Supplemental Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Christi Hugin, City Attorney *C. Hugin J.P.*

Date prepared: February 1, 2016 Meeting date: February 8, 2016

Subject: Measure R Follow-Up – Consider Initiation of Ordinance to Regulate Chain Stores and Initiation of Preparation of Voter-Approved Specific Plan (Councilmember Peak and Sibert)

RECOMMENDED ACTION: At the request of Councilmembers Peak and Sibert, direct staff whether to initiate a zoning ordinance amendment to regulate chain stores and whether to initiate a voter-approved specific plan for the civic center.

NOTE: The Council is only being asked whether to initiate proceedings to consider a replacement ordinance. This action will not preclude an appeal in the Measure R case, although it may alleviate the need for one. This item would create an alternative option to the litigation.

DISCUSSION: This item proposes a course of action that would be part of a contingency plan. The Malibu voters overwhelmingly approved Measure R which included two central components: citywide restrictions on chain stores and required voter-approved specific plans for large commercial and mixed use developments. Two property owners in the Civic Center filed a lawsuit challenging the constitutionality and legality of Measure R on its face.¹ The court ruled that Measure R was invalid because

¹A “facial challenge” tests the validity of a law based only on the text of the law and not its application to a particular circumstance. To be facially invalid, the court must find that the law’s provisions inevitably pose a present total and fatal conflict with applicable constitutional provisions or state law. This is the standard set by the California Supreme Court that must be employed by California courts when evaluating a challenge to an initiative Measure, such as Measure R. Courts are also required to afford deference to initiative measures and attempt to construe the measure to preserve its constitutionality. As I explained at the Council’s first meeting in January, the City defended Measure R, in part, by demonstrating how it can be implemented consistent with the constitution. In its decision, the court acknowledges that it is plausible to regulate in this area but finds that the words of Measure R preclude such an implementation. The intent of the proposed ordinance is to overcome the infirmities identified by the court while (within the constraints of the law) fulfilling the purpose of Measure R.

(1) its CUP for chain stores was tethered to the tenant instead of the use of the property and (2) the voter-approved specific plan requirement was tethered to particular developments.

The idea behind this item is to have the community and the Council look at an ordinance that enacts the purposes of Measure R as closely as possible while addressing the trial court's reasons for invalidating Measure R. Needless to say, it would only make sense for the City to actually adopt such an ordinance if the lawsuits (state and federal) were resolved/dismissed. This item proposes just one step in preparing for that contingency.

The proponents of Measure R have filed a motion to intervene in the lawsuit. If granted, they will be able to appeal the trial court's decision should they chose to do so. The City also has a right to appeal the decision. If the trial court's decision is appealed, there is disagreement between the City and the plaintiffs as to whether the law provides that during the appeal Measure R remains in effect.² The trial or appellate court may resolve that conflict; but, for the purpose of this report, let's assume that I am right.

In my opinion, the trial court's ruling is automatically "stayed" while the appeal is pending, which means Measure R would stay in effect. Even if it is not automatically stayed, the court may order its judgment invalidating Measure R be "stayed" pending appeal. A stay of the trial court's ruling poses a particularly perilous situation for the City. If Measure R remains in effect and is upheld on appeal, there is no problem for the City (obviously). However, if Measure R remains in effect and the Court of Appeal affirms the trial court's ruling, the plaintiffs will not doubt claim that the entire time that the appeal was pending, the City was continuing to deny them due process and cause them damages (likely in the form of the cost of delaying their development or lost opportunities) for which they will seek compensation from the City. There may be other property owners whose commercial tenants are required to obtain CUPs that may later claim the law caused them damages. Without evaluating the likelihood that such claims will succeed, this is a foreseeable complication associated with the continued defense of Measure R in court. It may be unavoidable; but it may be that the City may enact new regulations that satisfy the court's concerns and promote Measure R's purposes to the maximum extent possible.

Measure R defines and places City-wide restrictions on formula retail establishments. Among other things, the measure adds to the Municipal Code Section 17.66.130, entitled "Limits on Formula Retail." The proposed ordinance attached to this report differs from Measure R because it replaces a CUP requirement with a zone clearance and it requires a zone clearance for a category of use (restaurant, retail, professional services) rather

²There is some confusing terminology associated with the question of whether Measure R is in effect while the appeal is pending. The trial court's judgment will enjoin the City from enforcing Measure R. If that injunction is in effect during the appeal, the City would NOT be able to enforce Measure R during the appeal. If that injunction is "stayed" while the case is on appeal (either automatically or because the court orders it stayed), then Measure R would be in effect unless and until the Court of Appeal orders otherwise.

than for a tenant (Starbucks, Peet's Coffee). Like Measure R, it limits formula retail to 30%, it is Citywide, prohibits stores larger than 2500 square feet, it exempts the same general use categories. It differs from Measure R because it does not require a CUP for each change of tenant; instead it uses a zone clearance for any change of use. Also, the draft does not include the exemption for existing tenant spaces. In this proposal, I defined "formula" to mean 10 or more in the United States rather than worldwide. That is a difference that we can discuss as part of the consideration. Obviously, nothing in the proposed ordinance is written in stone. The purpose of drafting a concrete proposal at this stage is to assure proponents of Measure R that the City would be enacting strong restrictions of chain stores and to apprise the plaintiffs of the type of restrictions that are being considered. This is important because it will only make sense to adopt an ordinance if the proponents and the City do not appeal the court's decision on Measure R and the plaintiffs agree not to challenge the new ordinance.³ As mentioned above, this proposal is part of a contingency plan and offers one method of making sure that there is no gap in the City's regulation of chain stores.

Measure R also requires a voter-approved specific plan and a project-specific report for each large development. The court acknowledged that the City may have a voter-approved specific plan; however, the court found that Measure R impermissibly linked such legislative action to each development proposal and prevented the property owner from obtaining approvals under existing laws until a voter-approved specific plan is enacted. California law does not allow voters to control whether individual developments may be approved. Voters may establish the rules but the City must use administrative processes (based on evidence and subject to judicial review for abuse of discretion) to determine whether individual project satisfy existing rules.

To the extent that Measure R expressed voters desire to employ voter-approved specific plan as a tool of implementing the General Plan, the City may initiate a process to prepare a specific plan for the Civic Center area and require voter approval of that plan. Once approved, the City may implement the plan for future development. The City could not prevent entitled development (such as Whole Foods) from proceeding during the specific plan preparation process.

There are a number of different mechanisms that may be used to develop a specific plan for voter consideration. There are certain legal requirements that we can address if the City wishes to proceed with this. As the City did with the General Plan and with the LCP, a special committee could be convened to prepare a draft. Alternatively, the City staff or a consultant may assemble a proposed draft plan off of which the Planning Commission and City Council could work.

³In fact, if the court's decision is stayed pending the appeal, the City could not adopt an ordinance because Measure R would be in effect.

FISCAL IMPACT: Adoption of the chain store regulations and a voter-approved specific plan would not have a known significant fiscal impact; the staff time required for the legislative process is within the City's current budget. If the adoption of the ordinance avoids an appeal of the Measure R lawsuits (state and federal), there will be a significant savings in legal defense costs.

ATTACHMENT: Discussion Draft Ordinance regulating chain stores

ORDINANCE NO. XXX

AN ORDINANCE OF THE CITY OF MALIBU ADOPTING NEGATIVE DECLARATION NO. 16-xxx AND AMENDING MALIBU MUNICIPAL CODE TITLE 17 (ZONING) TO PLACE A 30% CAP ON THE NUMBER OF FORMULA RETAIL USES PERMISSIBLE WITHIN ANY SHOPPING CENTER

THE CITY COUNCIL OF THE CITY OF MALIBU DOES ORDAIN AS FOLLOWS.

Section 1. Recitals.

A. Malibu desires to remain unique, not just in its physical setting as evidenced by approximately 22 miles of scenic coastline nestled between the Santa Monica Mountains and Pacific Ocean, but in its relatively rural nature, its small-town feel, its commercial character, and its overall visitor and resident experience. With only 3.7 percent of its total land area zoned for commercial use, nearly half is clustered in the Civic Center neighborhood – the City’s main commercial district that has historically served the City’s visitors and residents alike with a variety of retail offerings. The rest is located in pockets along Pacific Coast highway to the east and west of the civic center. Maintaining the economic health and unique appeal of the City’s commercial area is vital to the ongoing preservation and enhancement of the City’s unique, small-town feel, commercial character, and the needs of its visitors and residents.

B. To advance those goals, the City seeks to prevent the proliferation of elements that project an overwhelming sense of sameness and familiarity. Instead, the City desires to encourage elements that promote variety and charm while still leaving opportunities open for all. The City has adopted land use policies intended to maximize these principles, starting with the City’s foundational principle:

“Malibu is a unique land and marine environment and residential community whose citizens have historically evidenced a commitment to sacrifice urban and suburban conveniences in order to protect that environment and lifestyle, and to preserve unaltered natural resources and rural characteristics. The people of Malibu are a responsible custodian of the area’s natural resources for present and future generations.” [General Plan, Vision Statement].

C. With more than 23 percent of its nearly 12,000 acres zoned as public open space and more than 50 percent being designated as environmentally sensitive habitat area (ESHA) pursuant to the City’s Local Coastal Program (LCP), the City recognizes the importance land use plays in the planned distribution, location, and intensity of human activity in context to the relatively rural nature of the City. As previously noted, only 3.7 percent of its nearly 12,000 acres is zoned for commercial use, with nearly half of that, or 43.5 percent, being clustered in the Civic Center commercial neighborhood. The City recognizes that retail is the dominant commercial use in the City and maintaining a strong and diverse retail base is most critical to the success and ongoing preservation of its commercial zones. The City recognizes that this can be enhanced

by a healthy blend of commercial uses that are familiar because of their broad availability outside Malibu and those that are distinctive such that they offer a unfamiliar (nowhere-but-here) shopping, service or dining experience. A mix of these uses types provides diverse and distinct retail, service and dining opportunities for visitors and residents alike.

- D. The City is committed to “manage growth to preserve a rural community character” [General Plan Land Use (LU) Element, Section 1.4.2] and to encouraging the “...establishment and continued operation of small neighborhood and community serving businesses.” [General Plan LU Policy 4.4.1]. Further, the City must ensure that commercial “visitor serving retail uses...fit the character and scale of the surrounding community.” [LCP Land Use Plan (LUP) Policy 5.12, in part].
- E. Commercial amenities aside, Malibu is a world-known destination that draws millions of visitors each year, particularly to its beautiful beaches and parks. Along with the City’s recreational opportunities, Malibu offers a rural residential community set within the Santa Monica Mountains National Recreation Area and the Santa Monica Bay. The City desires its commercial uses to promote variety and charm, embrace its relatively rural character, and not detract from its qualities.
- F. The City has experienced an increase in commercial leasing activity Citywide, with a specific increase in the number of formula retail establishments. It is anticipated that additional formula retail establishments will, in the foreseeable future, continue to find their way into the City’s commercial rental/lease market.
- G. Formula retail establishments are, by their nature, generally not unique in appearance or character. Likewise, formula retail establishments generally do not offer goods and services that are not readily available at other establishments within a reasonable proximity to the City. Consequently, the City finds that the proliferation of formula retail establishments, if not regulated, will conflict with and frustrate the City’s goal of maintaining a distinctive community character and correspondingly distinctive retail amenities.
- H. An over-abundance of formula retail establishments frustrates the City’s ability to promote a diverse and distinctive retail base in its commercial zones. The City considers a diverse retail base to include a distinctive retail personality that avoids shifting the City’s character toward familiarity and sameness. A diverse retail base should be comprised of a balanced mix of businesses ranging from small to medium to large and from familiar to distinctive. An over-abundance of formula retail establishments will unduly limit and eventually eliminate the commercial diversity and distinctive character.
- I. The General Plan Mission Statement states, in part, that “Malibu will maintain its rural character by establishing programs and policies that avoid suburbanization and commercialization of its natural and cultural resources.” Further, the overriding goals of the City shall be to: “(a) Protect, maintain, and where feasible, enhance and restore

the overall quality of the coastal zone environment and its natural and artificial resources; and (b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state.” [LCP LUP, Section 1(D)].

- J. In light of the foregoing considerations, the City Council has determined that the public welfare will be served and advanced by regulating the establishment of formula retail establishments in the commercial districts. The City has experienced an increase in the presence of formula retail establishments and anticipates that additional formula retail establishments will, in the foreseeable future, continue to find their way into the City’s rental/lease market – the over-abundance of which threatens to diminish the City’s distinctive character.
- K. This ordinance was prepared in light of the Superior Court’s ruling in the lawsuit bringing a facial challenge to Measure R and it specifically does not attach CUP requirement to tenants or require voter-approved specific plans for individual projects and should not be construed otherwise.
- L. On _____, 2016, the Planning Commission held a duly noticed public hearing, and adopted Planning Commission Resolution No. 16-XX, recommending the City Council _____ Zoning Text Amendment No. 16-xxx to amend Title 17 (Zoning) of the Malibu Municipal Code to make formula retail, as defined, a conditionally permitted use in the Civic Center commercial district.
- M. On _____, 2016, the City Council held a duly noticed public hearing on the subject amendment, considered the recommendation by the Planning Commission, reviewed and considered written reports, public testimony, and related information.

Section 2. Environmental Review.

The City Council has analyzed the project proposal described herein. California Environmental Quality Act (CEQA) applies only to projects which have the potential for causing a significant effect on the environment. Pursuant to CEQA Guidelines Section 15061(b)(3), where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The City Council has determined that there is no possibility the amendment will have a significant effect on the environment and accordingly, the exemption set forth in Section 15061(b)(3) applies.

Section 3. Zoning Text Amendment Findings.

A. Based on evidence in the whole record, the City Council hereby finds that the amendment is consistent with the General Plan and LCP. The ordinance would support the objectives and policies of the General Plan intended to preserve and enhance the City’s distinctive, small-town feel, commercial character, and the needs of its visitors and residents. The ordinance will also ensure compatibility between land uses by reducing

any potential negative indirect effects that have been associated with an over-abundance of formula retail establishments, such as shifting a community's commercial variety and charm to familiarity and sameness, which conflict with and frustrate the City's goals of remaining unique while promoting a diverse retail base within its main commercial district.

B. The zoning text amendment advances the General Plan Vision Statement which reads, "Malibu is a unique land and marine environment and residential community whose citizens have historically evidenced a commitment to sacrifice urban and suburban conveniences in order to protect that environment and lifestyle, and to preserve unaltered natural resources and rural characteristics. The people of Malibu are a responsible custodian of the area's natural resources for present and future generations." The City is committed to "manage growth to preserve a rural community character" [General Plan LU Element, Section 1.4.2] and encouraging the "...establishment and continued operation of small neighborhood and community serving businesses." [General Plan LU Policy 4.4.1]. Further, the City must ensure that commercial "visitor serving retail uses ... fit the character and scale of the surrounding community" [LCP LUP Policy 5.12, in part]. The overriding goals of the City are to: "(a) Protect, maintain, and where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources; and (b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state." [LCP LUP, Section 1(D)].

C. In accordance with the LCP Local Implementation Plan (LIP), Chapter 1, Section 1.2, Purpose, (F), the ordinance will promote the public welfare by regulating the establishment of formula retail establishments in the Civic Center commercial district. The ordinance conforms to the City's LCP specific to LUP Policies 2.34 to 2.36, which require lower-cost overnight accommodations to be protected and encouraged and as such, are exempt from the ordinance. As provided in LUP Policy 2.35, the exemption would apply to all lower-cost "hotel/motels, hostels, RV parks, and campgrounds." Other than lower cost overnight accommodations, which are more likely to operate under a formula designation, no other types of feasible "lower-cost coastal recreational and visitor serving use[s] or opportunit[ies]" were identified that would be precluded from operating in the Civic Center commercial district. Formula retail uses, such as those that offer hard/soft goods, services, and food and drinks, are not considered anymore "visitor serving" or "lower cost" than their non-formula counterparts. It is the uniqueness of Malibu, its coastal recreation opportunities and environment that is the primary draw to visitors.

D. The ordinance does not prohibit formula establishments from operating in the City. The ordinance allows a reasonable percentage of formula establishments to operate in the City and includes several exclusions for formula uses that are considered essential to local and visitor demand.

E. The ordinance does not authorize a use other than that already designated in the LCP and M.M.C. as a permitted or conditionally permitted use in the zone. The

ordinance is consistent with the Coastal Act and the LCP because it protects, maintains and enhances the overall quality of the coastal zone environment. The ordinance will not alter the utilization or conservation of coastal zone resources, impede public access to and along the coastal zone, or interfere with the priorities established for coastal-dependent or coastal-related development.

Section 4. Title 17 of the Malibu Municipal Code is hereby amended as follows:

A. Add Section 17.22.020.E to read as follows:

Q. Formula retail, subject to the standards set forth in Section 17.40.085.

B. Add Section 17.40.085 to read as follows:

Formula retail.

A. Purpose. The purpose of this Section is to regulate mix of formula and non-formula retail uses within the commercial districts in order to prevent the proliferation of elements that project a sense of sameness and familiarity and which conflict with and frustrate the City's goals of remaining distinctive while promoting a diverse retail base. This Section is intended to encourage retail elements that promote variety while, contributing to and maintaining the City's rural charm and small-town feel.

B. Applicability. Prior to opening, the property owner must obtain a planning clearance for each formula retail use as set forth in Section 17.04.030. Not more than 30% of each floor of a shopping center or 30% of any retail component of a commercial building, as determined by the net percentage of overall square footage (excluding the uses described in Section 17.40.85(E)), shall be occupied by formula retail uses. The maximum size of each formula retail establishment shall be limited to 2,500 square feet.

C. Applicable provisions. Formula retail uses shall be subject to all provisions of this Chapter unless otherwise specified in this Section.

D. Definitions. For the purpose of this Section, the following definitions shall apply:

"Formula retail" is a type of use that creates familiarity by having 10 or more other existing, operational retail establishments located in United States, that are required to contractually or by other agreement maintain two or more of the following features: 1) standardized array of merchandise or menu; 2) standardized color scheme; 3) standardized décor; 4) standardized façade; 5) standardized layout; 6) standardized signage, a servicemark, or a trademark; and 7) uniform apparel. Formula retail uses include any type of retail sales activity or retail service activity conducted within a retail establishment which creates familiarity as defined herein.

1. “Standardized” means both identical and substantially the same.
2. “Array of merchandise or menu” means 50% or more of in-stock merchandise or menu items.
3. “Color scheme” means the selection of colors used throughout, such as on the furnishings, wall coverings, or wall coverings, or as used on the façade. Standardized lighting is considered part of the color scheme.
4. “Décor” means the style of interior finishes such as the style of furniture, wall coverings, or permanent fixtures.
5. “Façade” means the face of the front of a building or tenant space oriented onto a street or public open space. Awnings are considered part of the façade.
6. “Layout” means the interior arrangement of furniture, service area, or permanent fixtures.
7. “Servicemark” means a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of a service from one party from those of others.
8. “Trademark” means a word, phrase, symbol or design, or a combination of words, phrases, symbols or designs that identifies and distinguishes the source of the goods from one party from those of others.
9. “Uniform apparel” means standardized items of clothing such as aprons, pants, shirts, dresses, hats, and pins (other than name tags), as well as standardized colors of clothing.

“Retail establishment” means a commercial establishment that provides goods and/or services directly or indirectly to the consumer such as general retail, eating and drinking places, beauty, personal services, professional office, luxury overnight accommodations, amusement, health, fitness, and galleries.

“Shopping center” means a group of retail, retail service, and other commercial establishments operating under common management and having at least 10,000 square feet of gross floor area. No differentiation shall be made between centers that are product-orientated or service-oriented.

E. Exclusions. This Section does not apply to the following uses within the Civic Center commercial district:

1. Banks and financial services;

2. Drug stores/pharmacies;
3. Gas stations;
4. Grocery;
5. Insurance offices;
6. Lower-cost overnight accommodations;
7. Medical uses;
8. Movie theaters;
9. Post offices; and
10. Real estate offices.

F. Permit Validity. The planning clearance shall expire in the event that a formula retail use ceases or suspends operation for a period of six consecutive calendar months, relocates to another tenant space, expands by 200 square feet or more of gross floor area, or increases service area by 50 square feet or more.

Section 5. Severability.

If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this Ordinance, or its application to any other person or circumstance. The City Council hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 6. Effectiveness.

The amendments approved in this ordinance shall become effective 30 days after adoption.

Section 7. Certification.

The City Clerk shall certify the adoption of this Ordinance.

PASSED, APPROVED AND ADOPTED this ____ day of _____ 2016.

LAURA ROSENTHAL, Mayor

ATTEST:

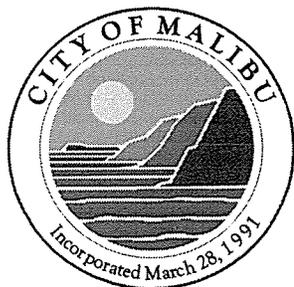
LISA POPE, City Clerk
(seal)

APPROVED AS TO FORM:

CHRISTI HOGIN, City Attorney

Any action challenging the final decision of the City made as a result of the public hearing on this application must be filed within the time limits set forth in Section 1.12.010 of the Malibu Municipal Code and Code of Civil Procedure.

Discussion DRAFT



Council Agenda Report

To: Mayor Rosenthal and the Honorable Members of the City Council

Prepared by: Christi Hogin, City Attorney *CHogin msp*

Date prepared: January 28, 2016 Meeting date: February 8, 2016

Subject: Measure R Follow-Up – Consider Regulations of Chain Stores and Initiation of Preparation of Specific Plan (Councilmembers Peak and Sibert)

RECOMMENDED ACTION: Direct staff whether to initiate a zoning ordinance amendment to regulate chain stores and whether to initiate a voter-approved specific plan for the civic center.

DISCUSSION: This item will be distributed under separate cover.